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FINANCIAL TIMES

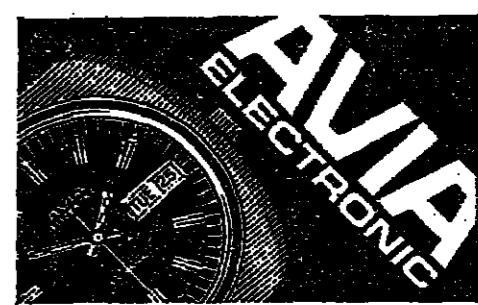
No. 26,730

Tuesday July 29 1975

** 10p



CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.3.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pes.38; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.



NEWS SUMMARY

GENERAL

Angola battle for key towns

After week-end violence in which 20 people were reported killed in clashes involving Portuguese commandos, the Angolan capital of Luanda was reported calm yesterday. However, fighting continued in the central town of Malange between the Marxist-oriented Popular Movement for Angolan Liberation (MPLA) and the Zaire-based Liberation Front (FNLA).

While the MPLA still firmly controls Luanda, FNLA is consolidating its position in the vital access town of Caxito, 30 miles away. Observers believe it is regrouping and intends to march on the capital.

First-hand reports of the situation there were given by British evacuees who arrived with other nationals at RAF Brize Norton yesterday. Consul-General Mr. Stanley Croft said the situation was becoming increasingly dangerous but at present there was no vendetta against Whites. The U.S. State Department announced that all non-essential U.S. personnel have been advised to leave Luanda.

Amin heads OAU

President Idi Amin of Uganda was elected chairman of the Organisation of African Unity for the next year. He was proposed by Egypt's President Sadat and elected by acclamation. Amin called for Israel's expulsion from the United Nations and warned that force might be used against South Africa.

Former Greek Junta on trial

Former President George Papadopoulos, on trial with 18 other leading members for the April 1967 coup which abolished democracy in Greece, said he assumed full responsibility for the army's action.

Protest to Turks

Turkey announced that its officers would relieve American commanders at 12 U.S. bases today. In Ankara, the U.S. ambassador told Turkey that the U.S. does not accept that the Congressional arms embargo justifies Turkey's abrogation of the 1969 Defence Treaty. Page 5

Now Sanderson

Labour MP Mr. Neville Sanderson, who organised support for Mr. Reg Prentice MP, faces a similar challenge to his political future. Some members of his Huddington constituency party want him to submit to re-selection as a candidate. A motion will be put to the party in September. In the Commons, the Government Chief Whip apologised to the Speaker for double voting by some Labour MPs last week. Page 9

Arms cancelled

President Ford, bowing to Congressional resistance, withdrew the Administration's proposal to sell Jordan 14 Hawk anti-aircraft batteries in a \$750m. arms deal. Page 4

No bail for MP

Mr. John Stonehouse, MP, was remanded in custody for another week at Bow Street where he made a personal appeal for bail. He said his stay in Brixton Prison had not harmed him.

Briefly . . .

Government suffered its seventh defeat during the committee stage of the Industry Bill in the Lords. Page 9

Eight people were treated for shock in hospital after five coaches of the London Paddington-Fishguard boat train left the rails near Carmarthen.

New Zealand All Blacks' rugby tour of South Africa will go ahead next year despite a personal plea from the New Zealand Prime Minister to abandon it.

Page 6

CHIEF PRICE CHANGES YESTERDAY

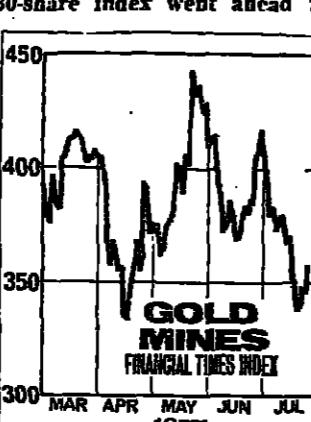
(Prices in pence unless otherwise indicated)

	RISES	FALLS
Treasury 1975	£14.1 + 1	Chubb 55 + 7
AAH 121 + 3	Rael Electronic 284 + 9	
Allen Harvey 300 + 20	Reckitt and Colman 302 + 7	
Beecham 250 + 5	Anglo American Corp. 473 + 25	
Boots 162 + 6	Cons. Gold Fields 230 + 14	
British Home Stores 296 + 9	Fls. Selsplas 240 + 8	
Cameron (J. W.) 120 + 5	President Brand 221 + 11	
Courtaulds 115 + 7	Vaul Reefs 259 + 12	
EMI 172 + 4	Venterspost 850 + 50	
Federated Chemicals 47 + 4		
Finlay (James) 159 + 11		
Francis Parker 9 + 4		
GEC 123d + 5		
GNK 216 + 8		
Gisburne Inv. 31 + 6		
Glavo 320 + 10		
Hawker Siddeley 256 + 6		
		Pancontinental 453 + 29

BUSINESS

Gains in gilts help equities rise 7.8

EQUITIES responded to the good performance of gilts and after a hesitant start the 30-share index went ahead 7.8



to 294.5. Sentiment was helped by the City rescue plan for Foden's. Trading remained very thin. The Gold Mines index gained 12.3 to 358.6.

GILTS advanced impressively, with yield attractions the main stimulus. Longs ended with a rise of 1 point and more, while shorts improved by up to 1.

GOLD rose \$1 to \$167.30.

STERLING fell 25 points to \$2.1765. Its weighted depreciation was 2.6 per cent. (25.9); the dollar's was 3.23 per cent. (3.59).

WALL STREET closed 6.26 down at 827.83 on continued prime rate rises and Middle East worries.

U.S. TREASURY £11.21 were. Threes 6.319 per cent. (6.247), Sixes 6.719 per cent. (6.628).

MR. ERIC VARLEY, the Industry Secretary, is likely to come under increased attack from Labour Left-wingers if BSC is allowed, as it expects, to begin its phased programme of plant closures and redundancies. Back Page

BSC is to receive £60m. in EEC loans to finance sites at Sheffield and Port Talbot. The Commission has also approved loans of £10.6m. for the NCB. Back Page

EEC COMMISSION is to sell surplus Community foodstuffs to Egypt for about \$250m. Page 5

POLAND is hoping to negotiate a loan estimated at \$200m. on the Eurocurrency market to finance the development of recently-discovered hard coal deposits.

OBSEVER management is now hopeful of securing an overall 30 per cent. cut in manning.

AIRLINES flying on U.K. internal routes have asked the CAA for permission to raise prices again by 10-15 per cent. Page 8

Hanson in £16m. U.S. takeover

HANSON TRUST is to take over the specialised textile division of Indian-Head, the U.S. concern controlled by Thyssen-Bornemisza of Holland, in a £16m. cash deal.

Back Page and Lex

PRUDENTIAL Assurance failed in its bid to obtain a High Court injunction restraining directors of Newman Industries from putting resolutions about a takeover of assets from Thomas Pule and Gladstone China to the company's adjourned extraordinary meeting to-day.

AAH increased its group pre-tax profit 29 per cent. to a record £4.15m. in the year to March 31. Page 14

Record U.S. trade surplus after cut in oil imports

BY ADRIAN DICKS: WASHINGTON, July 28.

The continued low level of economic activity, combined with a sharp reduction in oil imports, gave the U.S. a record trade surplus of \$1.7bn. last month, bringing the overall surplus for the first half of the year up to \$5.41bn.

This performance now clearly raises the chances that the U.S., contrary to a number of earlier predictions, will finish the year in the black on trade account.

It also helps explain why President Ford accepted with such readiness in Bonn over the weekend the proposition that economic co-operation between the major industrialised countries was imperative to deal with the current depressed state of the world economy.

The stronger trade performance and the improvement in the American dollar have clearly made for more flexibility in the Administration's international economic policies. The U.S. certainly now appreciates that its own economic health is inextricably linked with that of the rest of the developed world.

Several other indicators today serve to bring home the extent to which the economy is still only in the very first stages of the long-awaited upturn. Orders for machine tools during June rose about 13 per cent. registered in both value and volume during May, and suggest that the \$2-a-barrel fee imposed by President Ford on imports may have played its part in reducing consumption.

The June performance also compares favourably with 17.5m. barrels imported during the same month in 1974. The June figure, which is the turnover of all kinds of oil imports, was the lowest since January last year, according to the Labour annual rate of \$94bn. for the first

Department, it reflected a 0.4 per cent. decline in output coupled with a 2.3 per cent. drop in hours worked.

The June trade figures, showing a surplus for the fifth consecutive month, confirm the downturn in oil imports already

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The June performance also compares favourably with 17.5m. barrels imported during the same month in 1974.

In dollar terms too the June import bill of \$1.8bn. was the largest since the first quarter running 6 per cent. below its January last year, according to the Labour annual rate of \$94bn. for the first

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Banks' obligation to the public

BY C. GORDON TETHER

THE DISCLOSURE that the big banks are effectively allowing inflation to erode out of their cheque card facilities so as to minimise their vulnerability to losses arising from its fraudulent use is testimony to their growing inclination to want to have everything their own way in their dealings with the general public.

Indeed, one might argue that it is the best argument that has yet emerged for the acquisition of one of their number by the State. It is understood that it was clearly understood that the chosen institution's main task thereafter would be to set satisfactory standards rather than to try to prove that a nationalised bank can hold its own against private-enterprise versions in the race for bigger profits.

The effect of the banks' refusal to alter the £30 limit on cheque guarantees cards in line with the fall in the purchasing power of money has been to reduce the real value of the facility to less than half the amount originally envisaged. And if they continue to reject the powerful arguments for updating it, it won't be long before it has shrunk to a third.

The excuse

To all intents and purposes, therefore, they are phasing out this important service. And if you question that, just consider what would have been said about the decision to launch it as a means of encouraging the use of the cheque if the limit had originally been set as low as £10.

The banks have endeavoured to justify the down-grading of this facility on the grounds that it is exposing them to "the dangers of fraud from stolen cards and cheque books." But all banking activity inevitably incurs some risks of this kind. And in the absence of any clear-cut evidence that they are such as to justify this drastic decision, what are we to conclude? Is it not that the general run of their customers and the retail trading community are being made to pay, through curtailment of service, for the substantial losses the banks have incurred elsewhere as a result of the policy excesses perpetrated in other fields in the interest of trying to earn bigger and bigger profits?

And that is not the only justification for complaining that the banking establishment is displaying a greater determination than ever to order its relations with the general run of its customers in a blatantly one-sided manner, as its competitors.

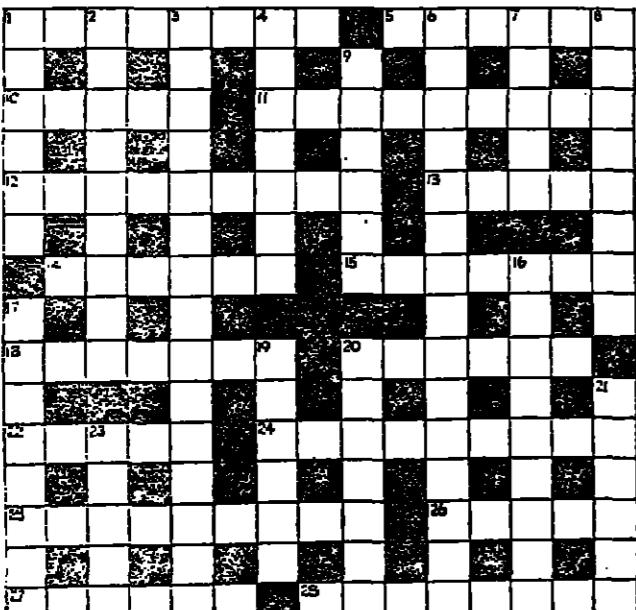
TV Radio

† Indicates programme in black and white.

BBC 1

10.03 a.m. Hector's House. 10.10 Dakkari. 1.00 p.m. Cwestian News. 1.10 1.15 Bagpuss. 1.45 News. 2.15 Gloria. 2.45 Goodbye. 4.25 Regional News (except London). 4.25 Play School. 4.30 Kim and Co. 5.15 Brainchild. 5.40 Sir Prancelet. 5.13 News. 6.00 Nationwide. 6.35 The Little House on the Prairie. Scotland—6.00-6.35 p.m. Report.

F.T. CROSSWORD PUZZLE No. 2,841



STRAIGHTFORWARD
INTERVALS
GOODMOTHER'S DIPLO
NINJA'S
QUIST
THEORIS
FESTIVE FEASTS
HORSES ALONG
EMBODIMENT
CRAFTS CRAFT
CUT BREAK
CARIBA PAHAG
LIAPIA PECHE
ANIMALS
CONSCIENCE/INTUITIVELY

1 Instrument for applying pouage is a nuisance to the French (6)

RACING

BY DOMINIC WIGAN

TWO HORSES—Steel Heart and Honeyblest—dominate the post-betting on to-day's Spillers' Stewards Cup at Goodwood and I expect them to justify their market position by taking the first two places.

The way in which it is exploiting the greater volatility of the exchange rate seems to enlarge earnings from foreign currency traffic is another case in point.

To take one example, the margins quoted between buying and selling rates for transactions in foreign currencies are, in most cases many times what they were a few years ago. It is customary for the banks to explain this away on the grounds that market exchange rates change so much more frequently and substantially nowadays that they have to cover themselves with a lot in hand, at the main expense of Fearless Boy. Ronin Melody was third.

On 5 pound better terms for the three lengths by which he was beaten in the Fen Ditton, Fearless Boy may make a much closer race of it, but I cannot see him gaining his revenge on Honeyblest.

Steel Heart, who I expect to see backed down to clear Honeyblest,

SALEROOM

BY MICHAEL THOMPSON-NOEL

Chinese vases fetch good prices

AN £1,575 SALE of Chinese ceramics and works of art at Christie's yesterday was characterised by some determinedly brisk bidding. Nearly every lot was sold, and prices either nudged the upper pre-sale estimates or exceeded them.

Top price of £9,875 was paid by a private buyer for a pair of famille rose mandarin baluster vases and domed covers from the Ch'ien Lung period. They are 5½ inches high, and were among four items sent for sale by Mr. Edmund de Rothschild which fetched a total of £21,755. All four went to the same buyer.

Another pair of famille rose mandarin vases from the same collection, surmounted by seated Buddhist lion finials with blue and green manes and gilt-splotted sepia bodies, went for £7,500. The other Rothschild lots, two pairs of famille rose globular fish bowls, brought £2,520 and £2,100.

Having said that, let me add that most State banks abroad appear to be just as little concerned with being fair to the public as the private enterprise variety. So if it were decided to make use of bank nationalisation to set standards, then all that would have to attach the same importance to "doing well" in the general run of its customers in the ordinary business sense in a blantly one-sided manner, as its competitors.

At Sotheby's, in an £8,404 sale of Japanese swords, an armour and sword fittings, a dealer from Lord Barnard which fetched a total of £9,384 were a pair of Tokyo went to £3,000 for a fine

sword.

Among 24 pieces belonging to Lord Barnard which fetched a total of £9,384 were a pair of Tokyo went to £3,000 for a fine

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At Sotheby's, in an £8,404 sale of Japanese swords, an armour

The Financial Times Tuesday July 29 1975
Moscow Film Festival

"The most important art"

by RONALD HOLLOWAY

The Ninth Moscow International Film Festival was full of contrasts. On one side, it's a "Song of the world" salute to "the most important art" (Lenin) of this century: Cultural Minister with the Hollywood action-star, the *Girl From Honk*, was not about a "Women's Brigade" but about a "Women's Brigade" of hundred countries, who would screen 380 films in the feature competition, the shorts and documentary section, and the Children's Films programme. On the other hand, standards of film art bow to "cinema as reflection of man" in search of new norms of film style and with moral questions in the technique more in keeping with the demands of new, emerging film cultures. The Egyptian *Sons of Silence* and Syrian *Kaphre* and *Koseim* focused on the Middle East "war" in partial, heretic outline (like Brecht's *Turner*), but dealing humanistically with a trace of her family after a hundred years. The *Egyptian Sons of Silence* and Syrian *Kaphre* and *Koseim* focused on the Middle East "war" in partial, heretic outline (like Brecht's *Turner*), but dealing humanistically with a trace of her family after a hundred years.

The festival's organizing committee greeted an opening night of 1,500 foreign and Soviet film makers and delegates from a hundred countries, who would screen 380 films in the feature competition, the shorts and documentary section, and the Children's Films programme.

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The festival has a point. It is indeed warming to note how some Third World countries (for example, Africa) formulate unique cultural expressions in film art, some for the first time in history. The *Peasant's Chorus* without a traditional literary mould, a didactic parable set against a white background to watch some cultures draw on subtleties of expression or *The Congress of White-Washers* the ruthlessness of the Western observer: to take the business tycoon when challenged by the poor and unemployed, example, the richness of film art in various Soviet Republics has yet to be tapped and interpreted for the general public.

Every festival has its surprises, but how does one explain about a rich businessman taking

the epic proportions of Sri Lanka's

only to realize on the morning of the night after that he has lost his virility; we watch him gradually fall from the social ladder as he desperately tries to consummate his marriage. The confrontation with a band of beggars, in which the hero strips himself to be spit upon (the possible cure), is strangely moving, an unforgettable image in African cinema.

The South American entries were but shades of past achievements, the Cuban film, *The Other Francisco*, on an historical plantation slave-revolt particularly disappointing. Sergio Olhovich's Mexican epic, *The House in the South*, obviously cost a good deal of money, but a community's migration in revolutionary times from a parched desert to green pastures is carried off with some style.

One copy of *Swedeck* (Ford's *The Copper of Wright*) (an all-time favorite in Socialist countries), which loses credence after the birth of the child in a cattle-car.

The Argentinian entry, *Nazareno Cruz and the Wolf*, is another of Leonardo Favio's operatic blends, this one a wild baroque fantasy about a curse on a boy that will turn him into a wolf at the first sign of a love affair: the devil promises release from the curse if Nazareno will forsake his love, which is not at all in the cards after a passionate underwater scene to an operatic score.

It's a quiet, gentle film capturing the beauty of the desert in muted, twilight colour tones.

Third World should be promoted, whereas Cannes and other festivals pay homage to the evils of colonialism in the muse.

The muse is not fully worked out.

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WORLD TRADE NEWS

Sheikh lays basis for new U.K.-Saudi agreement

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE BASIS for a far-reaching new agreement on economic and technical collaboration with Saudi Arabia is expected to be laid this week during the visit to London of Sheikh Hashim Nazer, Minister of State and President of the Central Planning Organisation. Yesterday Sheikh Nazer had a meeting with Mr. Harold Wilson, the Prime Minister, and also lunched with Mr. Peter Shore, Secretary of State for Trade, beginning four days of ministerial discussions aimed at working out a formal framework for British participation in the Kingdom's ambitious \$162bn. Five-Year Plan which is just about to be implemented.

To-morrow his programme includes sessions with Mr. Denis Healey, Chancellor of the Exchequer; Mr. Eric Varley, Secretary of State for Industry; Mr. Gordon Richardson, Gover-

Pakistan fertiliser complex appraisal

By Iqbal Mirza

KARACHI, July 28.

A JOINT U.S.-Aid-World Bank Mission arrives in Rawalpindi to-morrow to make the preliminary appraisal of the Fauji Foundations' fertiliser plant to be built in Rahim Yar Khan district. Total investment in the project is estimated at \$240m. It would be the biggest fertiliser complex so far constructed in the country. Mr. Christopher J. Pratt, of the World Bank, will lead the four-member joint mission and hold discussions here for two days. The bank is likely to contribute \$60m. while Fauji Foundations participation would be on an equity basis.

Groundwork on the project is scheduled to start early next year. The complex, to be equipped with automatic control instrumentation, is expected to go into production by the end of 1978, based on natural gas.

Iran to seek cash on world markets

BY ROBERT GRAHAM

TEHRAN, July 28.

INSTRUCTIONS HAVE gone out somewhat sooner than anticipated by some bankers here. Finance to all selected Government agencies and credit institutions authorising them where necessary to turn to the international market for finance. According to informed sources these instructions have been sent over the past two weeks.

Financial observers have been waiting for some time to see precisely when Iran would once again begin to look to the international market for funds. However, the instructions have come

THE AUSTRALIAN National Mr. Jones, the Transport Minister

LINE, the domestic and overseas shipping business of the Australia of about \$A10.6m. (\$A35m.) in government, appears to have general cargo coastal (domestic) recorded a heavy loss for the 1974-75 financial year. The results will not be officially reported until after parliament resumes on August 19, but from August 1.

RANL records heavy loss

BY KENNETH RANDALL, AUSTRALIA CORRESPONDENT

CANBERRA, July 28.

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All these bonds have been sold, this announcement appears as a matter of record only.

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Société Générale de Banque S.A.

AMERICAN NEWS

RELATIVES ALLEGUE 'KIDNAPPINGS OR ILLEGAL ARREST'

Concern for missing Chilean leftists

BY OUR FOREIGN STAFF

N. Zealand coal for Japan

By Our Own Correspondents

WELLINGTON. A contract to export 7,000 tons of New Zealand coal to Japan will probably be signed within the next two months. New Zealand expects to receive \$50 a ton for coal from the Mt. Davy Field on the West Coast of the South Island, the 12-year contract would be worth \$N241.2m. New Zealand has stood out for its pointing out that the coal is better quality than the coking coal imported by Japan from Australia, for which the Japanese pay \$50 a ton. The Mt. Davy coal has a low ash content and a fairly high fixed carbon content. It has been rated as particularly suitable for Japan's steel industry.

It is emphasized in Whitehall that the negotiations are aimed at working out a formal framework for British participation in the King

Five-Year Plan which is just about to be implemented.

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'No more concessions over Sinai'—Peres

By RICHARD JOHNS.

TOUGH ISRAELI opposition to political context. As a member of the Rafi section of the ruling Labour Alignment, he has been put in an awkward situation by disagreements over the peace agreement with Egypt in Sinai was clearly felt out yesterday by Shimon Peres, Israeli Minister of Defence.

In an interview with the newspaper Ha'aretz, he said that proposals made by Israel to pull back almost to the eastern end of the Sinai passes and surrender of the Abu Rudef oil fields amounted to a final offer.

"We have gone far, very far and it's almost been made clear that our proposals are the last ones. And it's hard to imagine that there will be withdrawal from this." He added that "we have proved that we are ready to give territory but we are not ready to accept dictates."

In the current—and counter-productive—spate of diplomacy by public pronouncement, Mr. Peres' utterances should be interpreted within the Israeli internal

Ethiopian urban land takeover

By Our Own Correspondent

ADDIS ABABA, July 28.

ETHIOPIA's military rulers have announced that all urban lands and extra houses are to be nationalised.

A Government proclamation said the take-over would take effect on August 7, after which no person, family or organisation would be allowed to earn rent on urban land or houses. The proclamation said the one exception would be "co-operative societies of urban dwellers" which would operate within the Ministry of Public Works and Housing — newly created to administer the new Government property.

The proclamation said no compensation would be paid for urban land but promised Government reimbursement for all nationalised extra houses.

It was made clear, however, that each individual family owning one house would not be affected by the nationalisation and the proclamation said each family or individual had the right to hold a maximum of 500 square metres of urban land, UPI adds, from Kampala: Heavy fighting between Government troops and Eritrean rebels has broken out near the northern Ethiopian city of Asmara which is in a virtual state of siege, according to Western diplomatic reports said.

Suspend Israel'

KAMPALA, July 28.

THE ORGANISATION of African Unity ministerial meeting for the first time in its 12-year history voted early to-day for Israel's suspension from the United Nations, but the resolution fell short of Arab expectations.

Five member states in the 46-member organisation had reservations on the resolution, but voted to final wording which watered down the expulsion to suspension, until Israel complied it said with UN resolutions on the Middle East.

A passage calling for an African boycott of Israel on the lines of the Arab boycott at the time of the 1973 Middle East war was dropped, a separate resolution on Palestine calling for outright expulsion of Israel from the UN was referred to the OAU summit opening later to-day after the Ministerial conference failed to agree on it.

All Blacks' tour on

BY DAI HAYWARD

WELLINGTON, July 28.

THE NEW ZEALAND All Blacks' rugby tour of South Africa will go ahead next year despite a personal plea from Prime Minister Wallace Rowling to the New Zealand Rugby Union to abandon its policy of discrimination on the colour of a person's skin cannot be justified. Mr. Rowling asked the rugby union to grant support to the New Zealand Government's efforts to impose a sporting boycott.

The rugby union said nothing had changed and that the tour would go ahead as planned. Mr. Rowling said the Government will not interfere to stop the tour but still hopes that the rugby union will change its mind.

SECESSIONIST STRAINS IN MALAYSIA

Tackling Tun Mustapha

BY WONG SULONG, IN KUALA LUMPUR

ATTEMPTS BY the Malaysian federal government to oust Tun Mustapha, the colourful and controversial chief minister of the East Malaysian state of Sabah, have brought an all-time low in relations between the state and central government since the formation of the federation some 12 years ago, and brings to the public eye a once tabooed subject: secession.

Political intrigues are still going on, and although state elections are not due until October next year, it is likely that the new Kuala Lumpur-backed Berjaya Party in Sabah will not want to wait so long to have a second round of battle with Tun Mustapha.

But as the situation stands, the Prime Minister, Tun Abdul Razak, is now left with the prospect of having a very bitter chief minister in Sabah, and in the longer view, an even more delicate problem in Sarawak where there is a strong and growing movement for greater state autonomy.

Tun Mustapha's threats of secession were the last straw which convinced Tun Razak that the chief minister had gone too far and had to be removed.

As the Kuala Lumpur side of the story goes, Tun Mustapha, after failing to push through his demand from the Federal Government that Sabah be given the unrestricted right to raise loans on the international market, summoned a meeting on April 20 in Alor Setar, the state capital, where he argued why it would be better for Sabah (and by implication Sarawak too) to get out of Malaysia.

Among those at the meeting were the Sarawak chief minister, Dato Rahman Yakub, and the former Malaysian Prime Minister, Tun Abdul Rahman, who represented the Federal Government.

Dato Rahman apparently remained silent throughout the meeting while the Tunku, who was the principal architect of the Malaysian Federation, made an impassioned appeal for patience, tolerance and the need to stay on as one nation. The meeting ended with Mustapha as the only one wanting secession.

Tun Mustapha has ruled Sabah almost single-handed for the past eight years, and his authoritarian and erratic style of government and extravagant personal indulgence have often embarrassed the Federal Government, which until now had tolerated him because of his solid support for Federal Government policies.

He rose from humble beginnings: he started as a house boy with one of the British residents and showed signs of leadership as a guerrilla fighter, leaving the party now with seven or two states.

Miki may stake his career on welfare

By Peter Dunphy

TOKYO, July 28. MR. TAKEO MIKI may be preparing to stake his political career on welfare, diplomatic observers believe, after his speech in Lima last month could have had a fatal effect on the Israeli electorate.

Analysing Mr. Yitzhak Rabin, Israeli Premier, in his dealings with the US Administration and the Japanese, he last week came out openly against any second interim agreement with Egypt under the present circumstances.

At the same time, however, it was stressed yesterday in Israeli diplomatic circles that new moves to isolate the Jewish State in the international community would make a further disengagement very much harder to achieve. In particular, they were referring to the adoption by foreign ministers of the Organisation of African Unity of a resolution to suspend Israel from membership of the UN.

The message from Israel quarters is that such moves by the OAU—whose ministers are to be submitted to throughout April, May and June.

An Angolan resolution ordered

the first time in Lebanon's 23 years of independence Parliament last week agreed to discuss draft laws submitted by the Cabinet of Mr. Rashid Karami at ensuring new sources of income to meet a large budget deficit.

For the first time in Lebanon's

favour of free medical treatment, increased state intervention in the housing market, ensuring higher standards in Japan's highly stratified schools and universities, and raising of the national retirement age from 55 to 60.

All this would manifestly not only take financial pressures off householders, but for instance relieve gruelling competition between schoolchildren and the rigours of old age in a country where 90 per cent of "retired" men have to continue working for reduced salaries and pensions are hopelessly inadequate (presently, pensioners live with their children).

Mr. Miki revealed what he called his "life-cycle programme" at a party fund-raising function in Sapporo, declaring himself (and ostensibly the Government) in favour of free medical treatment, increased state intervention in the housing market, ensuring higher standards in Japan's highly stratified schools and universities, and raising of the national retirement age from 55 to 60.

South Africa, the Ministers

condemned apartheid, supported

the intensification of the armed struggle there and called on member states intending to

expel South Africa from the Pictorial regime to recognise these in keeping with the unanimous resolutions of the OAU calling for the isolation of South Africa.

Ivory Coast and Liberia have

both had visits from South African Prime Minister John Vorster.

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people to consolidate their units

and immediately intensify their armed struggle, while on sanctions, it attacked Britain, America, France, West Germany, Switzerland and Japan.

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LABOUR NEWS

Non-redundancy strategy sought for British Rail

BY JOHN WYLES, LABOUR REPORTER

A TOP-LEVEL meeting of British Rail management and senior union leaders was arranged yesterday to agree a strategy for attacking the railways' large financial losses that will not involve forced redundancies.

With public financial support for the railways running at £394m for last year and likely to rise to well over £400m this year, BR will be proposing a range of cost-cutting measures of which could run into the thousands of millions.

This is because the rail unions increasingly regard themselves as the last line of defence for a railway system which they claim is being starved of investment and whose potential has

been underappreciated by a series of Governments.

The National Union of

Railwaymen is maintaining its pressure on the Government to improve an integrated transport system that will shift resources and traffic from road to rail.

The union's annual conference

spelled out a fortnight ago its

opposition to any cuts in power just for the sake of economy and made it clear that a reduction in manning would be agreed only in return for much larger investment.

At this stage, BR wants to

discuss a more economic use of

its 270,000 labour force rather

than enforced reductions.

Any reduction in manning would be less need for overtime.

However, the unions may have

less room for criticism on this

point because they have recently

been loud in their complaints

that many of their members have

to work too much overtime.

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“I've found a way to raise productivity, reduce fire risk and cut our heating bills.”

To be in a position to make such a statement, you've only to phone us at Colt and arrange for our Area Manager to carry out a free survey of your buildings. You'll then know exactly what your company can achieve in all three areas by one and the same system.

Our Area Manager will even provide a detailed plan to put before your board showing how and where you benefit - without obligation.

Raising productivity.

Working in hot, stuffy conditions, employees lose concentration, become sloppy, irritable, difficult to handle - and that's when productivity goes down, industrial relations are damaged and accidents occur.



We at Colt have proved our solution to the satisfaction of 60,000 British firms. Without adding a penny to the wage bill.

In each case, we've demonstrated that healthier, safer, better working conditions can be created by the right use of ventilation (which incidentally, helps a firm comply with the new Act).

Our survey will show what we can do for you and the extent that tax relief and Regional Development Grants can offset the capital costs.

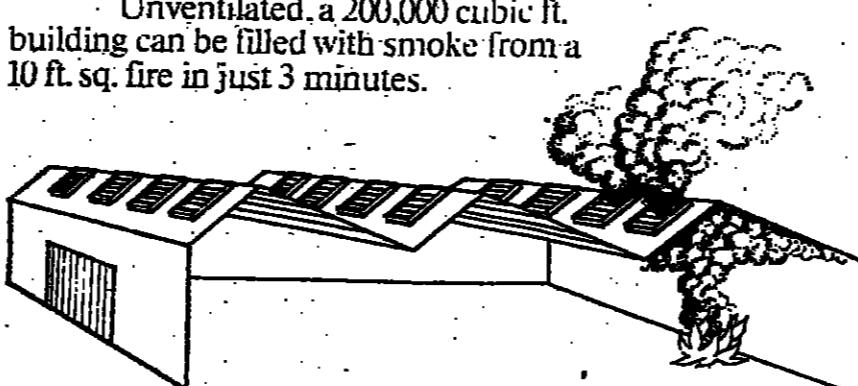
Reducing fire risk.

Year after year, 40% of firms that suffer a serious fire eventually go bust.

Nothing will ever stop industrial fires starting. But they can be stopped from spreading.

Colt fire ventilation provides this vital protection as well as the day-to-day benefits of better working conditions.

Unventilated, a 200,000 cubic ft. building can be filled with smoke from a 10 ft. sq. fire in just 3 minutes.



With Colt ventilation in the building, fire, smoke, heat and fumes can escape harmlessly to the sky as soon as it starts. Because the fire is isolated in this way, the fire fighters' job is made easier - and your business safer.

Cutting heating bills.

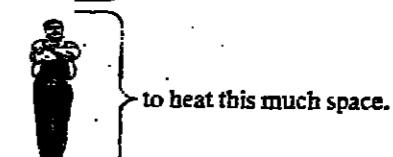
Every Colt survey covers the total work environment - and includes the problems of heat distribution and loss.

By closely examining a building, our survey can pinpoint areas of heat waste and, by the application of a unique system called Wastemaster, prevent further wastage - and reduce fuel costs.

Here's one example of how the system works:

In a factory 30 ft. high, heated air constantly rises into the roof space. Expensive fuel is therefore being wasted on heating vast empty spaces.

In a factory with a roof height of 30ft, you waste this much heat.



to heat this much space.

By installing Wastemaster units, this heat can be re-cycled to where it belongs, on the factory floor. This in itself can mean a 12% fuel saving.

Since Wastemaster was introduced a year ago, Colt have carried out 700 surveys into heat waste; in no less than 273 cases, we showed how fuel savings of up to 20% could be made by a variety of different techniques.

To obtain a free survey, covering this and all the other aspects we've talked about, all you need do is make one phone call.

Colt International Ltd. (Heating, Ventilation and Industrial Access), Havant, Hants. Tel: Havant 6411 Telex: 86219.

HOME NEWS

Airline policy review will be fiercely argued

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PRELIMINARY results of the Government's long-standing private report prepared by civil aviation experts was given to Mr. Peter Shore, Secretary for Transport, on July 20. No details of its contents have been disclosed and only limited consultations with the airlines have been taking place in recent weeks, although many written submissions have already been made.

The review was designed to update the policy guidelines given to the Civil Aviation Authority by the previous Conservative Government, which tended to favour the expansion of the independent airline sector, and in particular the development of British Caledonian as the "second force" flag carrier.

Mr. Shore, in the Labour Party, objected to these guidelines, especially because British Airways had some of its best routes taken from it and given to BCAL. Labour said that, whenever restored to power, it would seek to redress this situation.

Airlines seek domestic fare rises

By Michael Donne

AEROSPACE CORRESPONDENT
AIRLINES flying internal air routes have asked the Civil Aviation Authority for permission to put up their fares by amounts ranging between 10 and 15 per cent from November 1.

It will be the third major fares rise on the routes this year. Fares on many internal routes rose by 7.5 to 15 per cent on January 1, and again by 10 to 15 per cent on April 1. Now, as then, inflation and, particularly, the cost of fuel, wages and salaries, and landing fees are being cited as the cause.

The effect of the rises, if approved, is that single rates on the domestic trunk routes between London and Glasgow, Edinburgh and Belfast will rise by £2 to £21, with the tourist one-way off-peak rate rising from the present £13 to £14.50, and the first-class, one-way rate rising from £8.50 to £12.

In all, 12 airlines are involved, including British Airways and British Caledonian.

British Caledonian's application comes from the others. In that, it is also asking for a one-way off-peak rate of £14.50 for the introduction of a £25 winter week-end "instant purchase" excursion return rate of £25 between Gatwick and Glasgow/Edinburgh, and for a winter week-end instant purchase excursion return rate of £20 between Gatwick and Manchester.

The airlines are also asking for 20 per cent rises in fares on the routes between London and Birmingham, Blackpool and Manchester, and between Exeter and Southampton.

For other routes, the basic increase sought is 10 per cent, with some exceptions where 15 per cent is requested, such as Scottish internal routes, and those to and from the Channel Isles.

BP reviews ship needs

BRITISH PETROLEUM is advancing the date of disposal of about 20 of its older and smaller ships totalling some 20m. deadweight tons—about 5 per cent of the group's carrying capacity—after a review of tanker requirements over the next five years.

Miss the Heathrow traffic instead of your plane

We're sorry, but it's only fair to warn you that essential building and roadworks involved in the construction of the new Piccadilly Line underground link could delay traffic and parking at the airport over the holiday period.

So please don't come by car if you can avoid it. You'll be better off catching an airline coach from a town terminal, a London Transport bus (82, 105, 140, 223, 285 or 41 Express from Hounslow West) a Green Line coach 724 or 727, or British Rail air-link coaches from Feltham, Reading or Woking stations.

Meanwhile we're improving the airport as fast as we can. Have a good holiday.

British Airports Authority

Concorde route test is postponed

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH-ASSEMBLED Concorde, which is now in the middle of its route endurance-flying, has had to postpone a visit to Melbourne, Australia, because of difficulties with the runway at Singapore.

The aircraft, which is now in Kuala Lumpur undergoing an engine change — was due to fly via Singapore to Melbourne on August 1.

The engine change is not a cause of the delay. It coincided, however, with the completion of work on resurfacing the runway at Singapore's international airport, and it was decided not to risk putting Concorde down there until the new surface had been tested carefully and in accordance with international scientific

Concorde will now fly to standards, before making any Australia on August 8, subject statements.

Varley hears views of motorcycle men

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

SHOP STEWARDS and managers of the motor-cycle industry yesterday met to put their individual views on its future to Mr. Eric Varley, Industry Secretary, and Mr. Gerald Kaufman, Mr. Parliamentary Under-Secretary.

Mr. Varley and Mr. Kaufman will now consult their Cabinet and departmental colleagues to decide what form—if any—help for the ailing industry should be recommended to the Cabinet, which has the final voice.

Mr. Varley has promised to make a statement to the Commons before the recess on August 8.

He now has to consider the reactions of the producers—Norton, Villiers, Triumph (with two factories) and the Meriden Workers Co-operative—the consultants' survey commissioned by the Department of Industry.

This rather bleak document traces the retreat of the U.K. two-wheeled industry over 15 years, from a sector after another in the face of aggressive Japanese competition until it has been left only with "super-bikes" and its main market in America under sustained attack.

Toyota Land Cruiser for U.K. market

THE TOYOTA Land Cruiser, main competitor to British Leyland's highly profitable Land Rover in many overseas markets, has had the effect of virtually doubling output, which normally runs at about 45,000 vehicles a year. Land Rover has a market of some 12,500 in the U.K., the only competitor at present being the American Motors Jeep.

Like the Land Rover, the Land Cruiser is a robust four-wheel drive vehicle. It is powered by a 4.2 litre engine, developing 135 bhp, and has eight forward gears in four-wheel drive. The engine uses the cheapest grade of petrol, in station wagon form, on a 106 in-wheelbase, the standard Land Cruiser is a six-seater. The 116 in-wheelbase pickup has 36 sq. ft. of storage space.

Prices will be £4,179 for the station wagon (compared with £3,629 for the Land Rover), and £3,216 for the pickup.

IN BRIEF

Salaries slacken

Increase rate of once salaries was slackening, the Alfred Marks Bureau said. The average salary of all office staff in Central London, paid by 21,500 firms in March-May, compared with 21,75 during the previous three months.

Architects confer

Lord Duncan-Sands opened the annual conference of the Royal Institute of British Architects, held jointly this year with the Civic Trust, of which he is President. The conference, attended by 300 architects, lasts for three days.

Equality call

Men and women should be treated equally in respect of retirement and pensions, the Institute of Personnel and Management said in evidence to the Occupational Pensions Board.

Nuclear waste

Nuclear power stations may produce about 150 cubic metres of highly active liquid nuclear waste over the next 15 years, MPs were told by Mr. Anthony Wedgwood Benn, Energy Secretary.

IRA cleared

Mr. Martin Rees, Ulster Secretary, was told by his security advisers that they accepted his Presidential IRA's claim that it was not responsible for the death of a policeman at Dungiven, Co. Londonderry, at the weekend.

Law Society protests against Land Bill

By A. H. Hermann

THE LAW SOCIETY has joined Justice and other organisations in a protest against the Community Land Bill.

In a memorandum addressed to Mr. Anthony Crossland, Environment Secretary, and published yesterday, the society says that the political purposes of the Bill cannot justify such a major encroachment upon individual rights as are proposed in it.

The Law Society believes that

if the price of being left substantially intact as the major "second force" flag carrier was the Government taking a minority stake in the airline, then it would accept that.

BA is believed to have urged

that it should have restored to it all that lost to help set up BCAL, including its routes to West Africa.

It is widely believed in the summer.

airline industry, however, that any major revision of the policy guidelines given originally to the CAA will involve legislation to amend the 1971 Civil Aviation Act.

In view of the pressures on the Parliamentary schedule, this could not be done until the next session, which effectively means some time in early 1976. Thus, whatever decision is made, the Government is able to announce now are likely to be preliminary, pending any necessary legislation.

This would give time for his proposals to be argued both inside and outside the Commons, so that whatever happens a fierce debate on the future of U.K. civil aviation seems likely to occur this summer.

FOR textile machinery manufacturers around the world the international exhibition in Milan, held every four years, features new ways of satisfying the world's demand for textile products more cheaply, more quickly and more efficiently.

Before this year's show, in October—and of added significance given the expected return to higher levels of textile activity next year—two British companies, Platt Saco Lowell and Ernest Scragg, have stolen

some of the limelight with a merger which will create the biggest group specialising in spinning machinery anywhere in the world.

Platt Saco Lowell (part of Stone-Platt Industries) and Scragg are already two of the biggest U.K. textile machinery manufacturers and although serving different sections of the market with different types of spinning machinery they have been developing a degree of overlap in recent years.

Scragg's strength has been in the manufacture of machinery for texturing continuous filament yarns—the process that gives

handle to the extruded fibre produced by the man-made fibre manufacturers by putting crimp into it. This has helped to be an area in which PSL has been seeking to increase its involvement.

Finally, if the inquiring authority changed its intention it could dispose of the land and sell it to the highest or most favoured bidder without first offering it to the previous owner.

The memorandum complains that the Bill would relieve the authority of any obligation to specify the purpose for which land is being acquired. It may refuse planning permission on the ground that the land is not suitable for development, but nevertheless proceed to acquire that very land for "relevant development."

Safeguards

The definition of what is "relevant development" is not in the Bill and is left to be formulated by regulation not even subject to positive approval of Parliament, though it could, of course, be annulled by a negative vote.

In the Law Society's view the Bill, if enacted, would create the temptation for local authorities to use the new powers for carry out projects for which powers under safeguards are already available under existing legislation.

In this way they could find a way to escape the safeguards.

The Law Society argues that the existing planning structure is capable of control over the development of land and that planning decisions should be made in a quasi-judicial manner.

The changes proposed by the Bill would erode public confidence in the planning authorities, built up over the past 25 years.

Without help, NVT has warned that the three-day week is introducing for its 3,000 employees after the holidays next month will turn into something worse. And NVT stewards have said they will occupy the factories if the Government does not honour a pledge about job security.

He now has to consider the reactions of the producers—Norton, Villiers, Triumph (with two factories) and the Meriden Workers Co-operative—the consultants' survey commissioned by the Department of Industry.

This rather bleak document traces the retreat of the U.K. two-wheeled industry over 15 years, from a sector after another in the face of aggressive Japanese competition until it has been left only with "super-bikes" and its main market in America under sustained attack.

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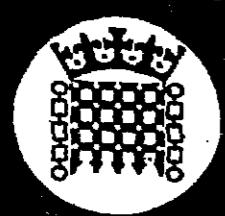
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PARLIAMENT



Reserve powers probe by Tories

By John Bourne, Lobby Editor

CONSERVATIVE MPs last night tabled an amendment to the anti-inflation Bill in an attempt to smoke out details of the Government's draft reserve powers legislation which has not yet been published.

As reported in the later editions of Saturday's FT, Economic Ministers have virtually agreed to recommend to the Cabinet that strikers should be either exempted from actions by employers under civil law, or at least partially exempted from injunctions to restrain them from taking industrial action against the Government's £6 a week pay increase limit.

In Whitehall yesterday it was stressed that the Government was still determined that any Reserve Powers Bill, which it hopes will be unnecessary, must not result in trade unionists ending up in prison because of industrial action.

This could happen, of course, if workers refused to obey a court injunction, and several Ministries now agree that legislation could certainly be drafted to prevent workers or unions being subject to actions for injunctions. This is on the ground that the Ministers regard an injunction, not as a civil action, but merely as "an equitable and discriminatory remedy" pending a civil action for damages later.

But some influential economists are convinced that the legislation could also easily safeguard workers from actions for damages. Certainly they would seem to have a precedent in Section 17 (8) of the Conservatives' Counter-Inflation Act, 1973.

Although that Act did provide for fines for workers who went on strike or threatened to do so, subsection 8 said: "Nothing contained in or having effect under this Act, and nothing made illegal by this section, shall give rise to any criminal or tortious liability for conspiracy, or to any other liability in tort, in action for tort or in civil action."

Japanese car imports concern

BRITISH PEOPLE should search their consciences "very seriously indeed" before buying cars from countries with much stronger balance of payments positions than our own, said Mr. Peter Shore, Trade Secretary, in the Commons yesterday.

He told Mr. Edwin Wainwright (Lab., Doncaster Valley), who had asked about car trade between Japan and the UK: "What is happening is that hundreds of thousands of our fellow citizens are preferring to buy foreign cars."

Mr. Shore said trade figures showed "a large and increasing adverse balance in our car trade."

Mr. Wainwright said: "For every car exported to Japan, about 50 are imported. Are you sure dumping is not taking place? What action will you take in the near future to ensure that the British car industry is strong competitiveness of the which had given advantages to our exports."

Two-way folly

By PHILIP RAWSTORNE

August is the newspapers' traditional "silly season"—but in the Commons it reaches its peak in July.

As the Speaker commented yesterday, this is the period when unusual incidents occur: when folly and fiasco hold sway as Ministers grow tired and backbenchers restless with the approaching summer recess.

It is a time for overnight sittings, guillotines and springing ambushes on unwary Governments in the division lobbies; for mini-Budgets or incomes policies; and for innumerable points of order.

Mr. Bob Mellish, the Government Chief Whip, who normally maintains his silence in the House at least, rose yesterday to apologise for the behaviour of a number of Labour MPs who had voted in both lobbies last week.

They had done so, apparently, in an attempt to demonstrate that there was a quorum of 40 MPs present to consider a Government motion that would have enabled the Hansard record to be used in the Crossman diaries court case.

The tactics failed, anyway. Even with three MPs voting both ways, the result was 25-23.

But Mr. John Peyton, "shadow" Leader of the House, said sternly that votes and even rules about votes, were important matters that should not be tampered with or treated lightly.

Angola 'battleground' risk to British citizens

THE SITUATION in Angola was there after the majority of capital could become a battle ground in which British citizens could be at serious risk. Mr. David Ennals, Minister of State, Foreign Office, told the Commons yesterday.

After describing the evacuation of 28 Britons from Luanda on Sunday, Mr. Ennals added: "About 12 British citizens decided not to go. It is hoped that they will have the chance within the next few days to take spare seats under air or sea evacuation arrangements of other friendly countries."

Answering an emergency question on the safety of Britons, he said that in other parts of Angola many had already left independently under arrangements made in consultation with our Consul General. So far, there had been no British casualties, although there had been some damage to property.

Mr. Edward Taylor (C. Caithness) protested that, in what was developing into little more than a bloodthirsty shambles, Mr. Ennals had no precise idea of the number of British residents or where they were.

Mr. Ennals replied that, apart from those in Luanda, he could not give a figure for Britons in the rest of Angola because it was not known how many had left in the last few weeks.

It would have been wrong to leave our small consular staff

It had happened before, said Mr. Mellish—but he agreed heartily with Mr. Peyton's sentiments.

"I spend all my time trying to get as many MPs as I can into one lobby," he added. "I am overwhelmed by the enthusiasm of those who voted in two."

Mr. Jerry Wiggin, from the Conservative backbenches, and a number of other MPs asked the Speaker for a proper interpretation of Standing Order 29 (2) which governs the voting procedure.

"Some members of the Liberal Party voted in both lobbies last year," he recalled.

"That's because they didn't know which one they should have been in," shouted a Labour MP. "Facing both ways as usual," called another.

Mr. Selwyn Lloyd, celebrating his 71st birthday, ruled that even if 20 MPs voted in two lobbies, it would still not make a quorum.

"This is one of the things that crops up in July," he added—but he refused to be locked up in the Commons, could not even attend without a resolution of the House.

And MPs, waiting impatiently to escape from Westminster, showed no disposition to sanction such a wish even on Mr. Stonehouse's 50th birthday.

Rating liability for festivals

LAND-OWNERS who allow pop festivals to be held on farming land may have to pay more rates as a result. Environment Under-Secretary, Lord Birk, told the Lords yesterday.

Replying to Lord Letherland (Lab.), she said that although no rates were payable on agricultural land, the use of land for pop festivals "on a regular and for significant scale" could give rise to rating liability.

Whether the land would be

rateable would depend on the degree of use and the revenue which the owner of the land received.

Viscount Monck (C.) said:

"The manufacturing industry is

and establish oil reserves, and

be responsible for the conserva-

tion of oil and prevention of

waste.

Another role would be to pro-

Lords inflicts seventh Industry Bill defeat on Government

By JOHN HUNT

THE GOVERNMENT suffered another defeat on the Indus Bill yesterday in any way is to be grounds for non-disclosure then

— the seventh time that it has been defeated on the Bill during the Committee Stage in the House.

'Too far'

The Conservatives managed to pass an amendment giving companies greater scope in refusing to publish confidential information to trade unions. The amendment was passed with an Opposition majority of 27 (86-68) but the Government may seek to reverse the defeat when the Bill returns to the Commons.

Speaking for the Government, Lord Melchett (C.) said that in the 1960s U.S. investment in the chemical industry in Grangemouth had been lost because of fears by the Americans of constant interference and constant body-browsing in industry by the British Government.

Meanwhile, the Lords is facing a considerable backlog of Government legislation to be dealt with before rising for the summer recess by August 8. To facilitate a revising Chamber if speed things up, peers agreed we go on putting on this sort

yesterday to take all stages of pressure."

Oil watchdog move rejected

AN OPPOSITION bid to replace the Government's proposed British National Oil Corporation with an independent watchdog authority on North Sea oil was rejected by 80 votes in the Commons yesterday.

During report stage of the Petroleum and Submarine Pipelines Bill, a Conservative new clause which sought to establish a U.K. Oil Conservation Authority was defeated by 296 votes to 280. The Bill sets up the BNOC and authorises it to borrow up to £800m.

Shadow Energy Secretary Mr. Wedgwood Benn said the new body proposed would be a spectator of the oil business with certain regulatory powers. It would have no right to explore for oil and have no expertise in that field.

Mr. Patrick Jenkins (Lab., Dudley West) said the powers proposed were already possessed by the Department of Energy.

Mr. Robert Hughes (Lab., Aberdeen N.), who recently resigned as a Scottish junior minister over the Government's pay policies, said that initially the problem would not be in setting up some regulatory authority but in getting the Oil Corporation going and doing its job.

"To come up now with a conservation agency which is really the function of the Department of Energy in a new form, is not a substitute for the development of a national oil capability.

"That is what is embodied in the Bill. The new clause offers no alternative policy but a cover for a lack of policy."

Mr. Jo Grimond (Lab., Orkney and Shetland) sympathised with Mr. Jenkins' view, adding that BNOC, but added that he was alarmed that the Government might accept it as well as keeping the BNOC.

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The members should not be people whose lives had been steeped in oil company operations, but those new to the industry, yet with some experience.

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The Executive's World

David Fishlock talks to a man with a frustrating problem

Selling the indescribable

FOR A SALESMAN, Mr. Freddie Crewe has a very frustrating problem. Personally he has no doubt that his research engineers have developed a very advanced piece of airborne electronics, but just how much better it is than the equipment he hopes it will replace he is not allowed to say. All he can claim, as sales manager of the maritime aircraft systems division of Marconi-Elliott, is that it is a "significant improvement." It sounds a rather lame claim to consideration for a share of a market put at £500m. over the next ten years.

The difficulty, of course, is that the equipment is a highly classified defence system, the primary market for which is the detection of submarines deep in the oceans, where no light beams or radars can penetrate. It uses sound waves to peer into the black depths and paint pictures of a clarity and detail the company claims are unsurpassed.

The Ministry of Defence acted as marriage broker for the partnership, three years ago, that made this new acoustic processing system possible. Its problem was that, as submarines are progressively silenced and built to operate at greater depths, they become less and less visible to existing detection methods. Its scientists foresaw the day when enemy submarines would no longer be detectable.

So the procurement executive of the Defence Ministry brought together Marconi-Elliott, avionics subsidiary of GEC, and a Canadian company called Computing Devices (ComDev) of Ottawa, to develop a new acoustic detection system for the RAF's Nimrod long-range patrol aircraft. The result, claims the British company, will be the most powerful computing system ever to go inside an aircraft, and one that puts the Anglo-Canadian partnership right up with the world leaders—mostly U.S. companies—in airborne sonar. It expects to have a system ready to fly next summer.

But the market, the partners believe, is very much bigger than for RAF Nimrods—38 flying and eight more on order—the majority of which they expect to re-equip. They have a system that can be adapted to a great variety of aircraft, from a small helicopter to a large reconnaissance aircraft. ComDev is also highly enthusiastic about the possibility of a civil market for nations—Canada is one—anxious to prevent any unauthorised exploitation of ocean or seabed resources.

Freddie Crewe began his selling campaign in March, 1974.



The sonar picture (above) can show an operator in the Nimrod (top) whether a whale or a submarine has been found

about nine months after project initiation on the refit programme definition had been agreed for nations to which he can be the Nimrod contract.

Mr. Crewe's career has always centred around the U.K. Government, he went into air traffic control joining Marconi-Elliott in 1961 to apply his operational experience to the design and formation he can provide—for example, on the computer performance—by Britain's precise relations with the customer since 1970.

Because of the difficulties of security classification, this kind of exercise, says Mr. Crewe, must be taken very slowly and gently. It may involve five or six detailed presentations to a prospective customer as the technical development advances, and as more ideas emerge on how the avionics might be matched to developments on long-range patrol aircraft. "If you manage to sell in three years you've done a pretty good job," he believes.

Although given no figures himself with which to compare operational performance of the system he's selling with the one the customer is already using, that does not mean the customer cannot obtain these details. They can be provided on a government-to-government basis "at a level at which, frankly, I do not need to be involved." His job, as he sees it, is to "kick open the door."

His starting point is infor-

time against a background of a continuously evolving technology. If all goes well, a point is eventually reached where governments begin to swap the more sensitive information, on sonar sensors, for non-IATA rates and a few directly illegal rates.

The £500m. market envisaged by Marconi-Elliott for acoustic processing systems worldwide over the next ten years relates only to avionics, not to the aircraft or sonobuoy. To equip an aircraft with the Anglo-Canadian avionics is expected to cost roughly £150,000 to £700,000, depending on the size of the aircraft and the capability required. For the Nimrod contract, for which the company is prime contractor, the division of work is about 60:40.

The division of work will be reversed if the partnership should secure the sonar contract for the proposed Canadian long-range patrol aircraft, for which the Government has invited tenders from Boeing and Lockheed. Here the Anglo-Canadian avionics are competing with the five U.S. specialists in airborne sonar—Emerson, IBM, Interstate, Magnavox and Sanders—for the contract.

Other markets that loom include France, now developing a Mk2 Atlantique reconnaissance aircraft, where the competition comes from Thomson-CSF, and Holland, also equipped with Atlantiques at present. Australia, which is providing the active sonobuoy for the Anglo-Canadian system, developed in its Weapons Research Establishment, is almost certain to re-equip its Ryan P-3Cs with the same patrol aircraft. May follow suit. Beyond lies the likelihood of orders to re-equip Britain's Sea King helicopters in the 1980s.

But the most tantalising prize in sight is the Japanese market, where the Government is talking of buying 100 to 130 long-range patrol aircraft for surveillance of its long coastlines.

PENSIONS

BY ERIC SHORT

Drain on the accounts

AN EMPLOYER in setting up a private pension scheme is of integrating, but no doubt taking on an open-ended commitment that can easily become a considerable drain. The first is by a formula providing pensions above a certain wage band. The published company accounts proposed state scheme bases its reveals considerable made pensions and its contributions to the pension funds in the majority of cases. A degree of control in the funding of pension schemes is just as desirable as with any other company as with top up pensions.

The usual form of private pension provision in this country is to set up a scheme that provides a pension of $\frac{1}{2}$ per cent of final salary with the employee paying $\frac{1}{2}$ per cent of salary in contributions. This pension is added to that received from the state scheme and his contributions paid in addition to that paid to the state. Thus under this system it is quite possible for an employee to get an overall pension higher than final salary but the extra cost is usually met by the employer.

The alternative put forward by some pension consultants is to integrate the whole pension scheme with the State scheme in determining the level of benefits and assessing the contributions. The level of pension is fixed at say $\frac{1}{2}$ per cent of final salary, but this related to all sources, the private scheme providing the balance over and above that from the State. If the State level rises then that provided by the private scheme falls, if the salary levels remain unaltered.

The contributions paid by the employee are also determined on the total outlay to State and to the private scheme. The employer's outlay is to make up the difference to keep the scheme fully funded.

Trade unions in general are opposed to integration in private pension schemes, primarily because they think that something is being taken away from them. They suspect that the employer is trying to get away with cutting down costs by providing inferior benefits. But this is not the case at all. Everything depends on what overall percentage is fixed for the integrated level of pension. Under this scheme that figure can be pitched higher than in the more normal form of scheme so that a decent pension is paid to everyone. It is the union's task to see that the level is pitched correctly.

In general the cost to the employer will not be lower than under the more normal type of scheme. But when the State puts up its benefit level and consequently the contribution level, the employer with an integrated scheme can offset the increased costs within the private scheme. An integrated scheme does give some insulation against political risks.

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EDITED BY JAMES ENSOR

Reg Pycroft proves that it's still possible to be

An entrepreneur in aviation

BY JAMES ENSOR



AIRLINE FARES structures have been getting out of hand with more and more complex systems of discounts for groups or families, special charter rates, non-IATA rates and a few instance.

The worst of the regulatory abuses, over the so-called "Affinity Group" charters—which led to cases where government officials boarded planes and turned off improperly constituted club members—have been abolished. The British idea of Advanced Booking Charters—which came into effect in October, 1972, on the North Atlantic—ended that.

It also created a new class of travel operator, the ABC specialists. Jetsave, one of the largest of them with an estimated £8m. turnover this year, had a total staff of one man and two girls on the day the new system was introduced.

Pycroft says, "It was a very difficult time trying to educate travel agent and Jetsave gets the consumer and travel agent its business from two thirds of Britain's 4,000 agents, though our administration. As we had little of it comes from the big no historical records on matters name.

Like staffing there was nothing to go on. We tended to wait until we got a crisis and then

and at the same time build up the service from two thirds of Britain's 4,000 agents, though our administration. As we had little of it comes from the big no historical records on matters name.

One marketing ploy which has clearly worked well with the customer identifies the booking with his local agent. As Mr. Pycroft says "What most travel agents want is a quiet life, with good service from people who stand by their product." He

works as chief salesman to the trade "I'm on the road from October to March, visiting agents and attending conferences."

With no operational experience of how many people would actually arrive for a flight booked two months ahead, Jetsave overbooked considerably. As a result £52,000 of potential profit had to be spent on buying extra scheduled service tickets. However, by keeping faith with the customers and their travel agents, Pycroft avoided the fate of being branded unreliable.

Last year was a bonanza year for Jetsave as revenue raced up to £5.6m. and profits to £400,000. This year with airline costs up by 40 per cent, and his own overheads substantially higher, has been very difficult. Capacity was not increased though higher fares will push turnover up to about £8m. and as for profits... Mr. Pycroft just says that he is confident of making one.

In a service business, with very tight margins, productivity and efficiency are conditions of survival. Overheads at the small office at Horley, near Gatwick, are low and the staff is only 50, any aircraft.

Then the problems began. As flown." The market has strong

Wholesaler

Essentially Pycroft works as a wholesaler, buying flights in full CAA, before he could start Boeing 707 loads from TWA or operations, and the money had to be raised against his personal guarantees. However, his early publicity and the fact that he had brochures and sales material ready printed gave him a head start. The first year's programme was quickly sold out, "half of our passengers have never flown the Atlantic before and a fair proportion have never

Then the problems began. As flown." The market has strong

La Cassa di Risparmio di Torino, per celebrare il suo 150° anno di fondazione, bandisce un concorso internazionale, nell'ambito del Paese della COMUNITÀ ECONOMICA EUROPEA, per uno studio originale, in lingua inglese, pubblicato su un giornale o rivista di settore.

- FORMAZIONE DEL RISPARMIO E PROBLEMI DELLA INTERMEDIAZIONE FINANZIARIA, CON PARTICOLARE RIFERIMENTO ALL'ITALIA

- ESPERIENZE E POSSIBILITÀ DI COORDINAMENTO DELLE POLITICHE MONETARIE NELL'AMBITO DEI PAESI DELLA COMUNITÀ ECONOMICA EUROPEA

Il concorso è dotato di un premio di Lire 10,000,000, da assegnare anche ex-aequo, che sarà aggiudicato, a giudizio insindacabile, da una Commissione composta dal Presidente dell'Istituto, che la presiede, e da docenti universitari ed esperti. □ I concorso possono partecipare i cittadini appartenenti a Paesi diversi dall'Italia, che abbiano dimostrato di avere una conoscenza di fondo della storia e della cultura, e di aver partecipato, in Italia, in Francia, o in Inglese, all'incontro di studi o di convegni scientifici o di una manifestazione, che si terrà con giorno da stabilirsi, nel 1977, presso la sede dell'Istituto.

Proprietario del lavoro o dei lavori vincitori di cui curerà la pubblicazione. Ad esso è riservato il diritto di traduzione. □ I dattiloscritti dei lavori risultati non vincitori non saranno restituiti agli autori. Per i lavori non vincitori, ma segnalati dalla Commissione giudicatrice, l'Istituto si riserva di concordare con gli autori dei lavori segnalati, le modifiche per la loro pubblicazione, entro tre mesi dalla data di aggiudicazione del premio.

In tre copie, entro il 31 marzo 1977. □ Il dattiloscritto non dovrà portare l'indicazione dell'autore, ma essere contrassegnato da uno pseudonimo o da un motto che dovrà essere ripetuto su una busta chiusa che conterrà all'interno le generalità e l'indirizzo del concorrente, nonché il certificato di non aver partecipato a un altro concorso. □ Il dattiloscritto dovrà essere redatto in stampatello, in uno stile chiaro e leggibile, in un linguaggio semplice, e si consiglia di utilizzare un termometro e un orologio.

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age

Voicing an answer to the City's critics

BY MICHAEL BLANDEN

ANOTHER important step in the City's response to public criticism of its activities and what it sees as widespread misunderstanding of its functions is likely soon with the setting-up of a central communications and information organisation. Acting as a channel within the City and a link with the media, this new body will follow a year or so of clear signs of the City organising itself to answer its critics more effectively. These signs have been seen both in statements by leading City individuals and in the work of the committees on various subjects set up last year with the backing of the Governor of the Bank of England.

These efforts are a reaction not just to increasing criticism of the City but to a change in its character. For the City has been accustomed for a long time to adverse public attitudes—regarding the stock market as a casino and the banks as over-profitable moneylenders, for example—and thoughts about answering these are by no means new.

Recent criticisms, however, have struck very close to home, with the collapse of the stock market last year and the problems of industry giving rise to claims that the City has fallen down on its main job—providing finance for industrial investment.

It has hurt when eminent men such as Sir Charles Hardie, chairman of two important companies and with considerable experience of the City's workings, joined the critics. Although it is recognised that there is considerable room for improvement, and the comments by Mr. Deryk Weyer of Barclays Bank last week on the need to take a more responsible approach to investment holdings of industrial shares would find an echo in an increasing number of pieces now, it is strongly felt that much of the criticism is unjustified.

Entity

What the criticism has done is highlight some of the problems the City faces in presenting itself more favourably. The situation has to be dealt with in a number of different ways: in relation to Parliament and MPs' understanding of the City; more technically, in relation to Government departments and the taxation authorities; and in the general sense of getting the City's case over to the public at large through the media.

One difficulty is that, except in a geographical sense, there is no such entity as "the City." The various financial institutions which make up what is generally understood by this phrase are related to each other only loosely. The big clearing banks, for example, with their country-wide branch networks, are only partly of the City: their interests on any subject may not coincide, and may indeed conflict with those of merchant banks or the large community of foreign banks in London, let alone with the insurance companies, the stock market, the commodities markets or the professional bodies such as the accountants which can claim an interest in City matters.

The second point is the difficult position of the Governor of the Bank of England. He has traditionally acted as the channel for communication between the City and Government in both directions and on both specific and general issues is recognised as the most important voice of the City. It is difficult to imagine that any centre other than the Bank could be an effective focal point for making City opinion known. Successive Governors, however, have recognised that there are subjects of major interest to all or part of the City, on which it is difficult for them as representatives of Government, responsible for carrying out official policies, to speak out on behalf of the City.

This is why last year's move by Mr. Gordon Richardson, the present Governor, to set up a number of heavyweight committees, in addition to the one or two already in existence then, was so important. The Bank provides secretarial services to, and communication between, the various specialist groups, which are linked with the City Liaison Committee (meeting under the Governor), this has been described as "the City fathers meeting in Cabinet." The whole set-up, which grew partly out of the established activities of the Committee on Invisible Exports, has already provided a new voice through which the



Sir Eric Faulkner of Lloyds Bank, head of the working party on City publicity and public relations.

Nonetheless, it is clear that probably most controversially, Sir Eric has been doing a good mounted earlier this year a deal to help the City's "image." powerful critique of the industry Last November, he mounted a Bill's disclosure provisions, ex-spirited defence of profitability pressing "grave concern" over in industry at The Banker's the possible giving away of annual seminar, following if commercial secrets.

through in his own statement as the other committees, such as chairman of Lloyds. And the telecommunications, tend to be widely expected creation of a more technical. This is true to new organisation to handle City some extent of the City Tax public relations stems from his Committee, which has found group's work. The new body, it itself since its first meeting in is thought, will not involve March last year pretty much anything as ambitious (and snowed under by the immediate probably hopeless) as trying to problems of new legislation.

set up a "City spokesman." It can claim some success in Nor, it is hoped, will it be its representations last year over simply a propaganda machine, the proposed tax changes for More likely is a small unit foreigners working in the City, geared to provide a channel of The issue, it felt, was crucial to communication within the City the City's international standard, and, in particular, with the leading City activities, they can have recognises that there are subjects of major interest to all or part of the City, on which it is difficult for them as representatives of Government, responsible for carrying out official policies, to speak out on behalf of the City.

Except for the EEC Committee, their members are not specifically representative of sectors of the City, and can therefore speak without being tied down to the official approach of individual associations such as the British Insurance Association. But because they are senior individuals from leading City activities, they can nevertheless speak with authority and in the reasonable expectation that their views will have wide support.

By sticking to topics of general interest, moreover, they can try to avoid sectional disagreements and leave individual associations to represent their own members over items of specific concern.

The diversity of City interests has created a resistance to the more ambitious ideas of setting up a central spokesman for the City or an organisation parallel with the Confederation of British Industry to act on its behalf. Yet through the medium of the City Committees much effective work is already being done. Their papers are being widely distributed—to MPs and the trades unions, for example—and they are already finding out more understanding that they are being consulted by Government departments on specific issues where a City view is desirable. But the test will be the City's ability to influence actual policy towards industry and finance, as expressed through the National Enterprise Board as well as direct Government initiatives.

Structure

It is hoped that the Tax Committee will be able to turn its attention to broader issues now that the first rush of immediate problems is over, bringing its activities more in line with those of the Company Law Committee.

This has been involved in some immediate issues, such as proposed EEC legislation, but has

produced major works such as the *City as Provider* of

Funds for Industrial Interest as its first report on employee

ment, which emphasised in re-participation (in which it came

down against the mandatory in-

companies that "the members of

the Bank, all active in the system in the U.K. for its own

process of capital raising, know

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Imperial Continental Gas Association, Winchester House, E.C. 11.30.

Leboff (S.) (Fobel), Hendon, 11. Minster Insurance, Arthur Street, E.C. 12.30.

S. and U. Stores, Birmingham, 2.

Trustees Corporation, Winchester House, E.C. 12.45.

Wansford Investments, 20. Aldermanbury, E.C.3.

BALLET Royal Ballet dances in the Night, Symphony, and Les Noces, Royal Opera House, London, 7.30 p.m.

MUSIC 170th Carte Opera Company in Iolanthe, part of centenary season of Gilbert and Sullivan, Royal Festival Hall, London, 7.30 p.m.

Letters to the Editor

Social Security Pensions Bill

From the chairman, the National Association of Consulting Actuaries, and others

Sir—A very important amendment has been made to the Social Security Pensions Bill in the Lords. Although it may appear rather technical, it has a very great bearing on the extent to which the Government's declared objective of encouraging the maintenance (if possible) of the extension of good occupational pension schemes can be achieved. May we briefly explain.

The Bill has given rise to an acute problem about people who change their employment. It

provides that their preserved pensions shall be completely protected against inflation. It is clearly not reasonable to expect an employer to carry the responsibility for this, since an open-ended provision for escalation for an employee who has left service is obviously not insurable, as indeed the Government has recognised by proposing that escalation after retirement shall be the responsibility of the State.

But as the Bill stood until July 23, the only alternative employers had to accepting this unattractive risk was to pay a so-called limited revaluation premium to back half into the State scheme responsibility for escalation above 5 per cent. This is open to serious objection. It partially defeats the object of contracting out by channelling money back into the State scheme, where it will be spent. Instead of allowing it to remain in the occupational pension fund, where it becomes a productive investment, and it creates a psychological disincentive to contracting out at all by requiring an employer, whenever employees have left his service, to make payments to the State out of the fund, and that just at a time when his business may be contracting and his financial position difficult.

Alternative

Those involved with the provision of pensions have repeatedly pressed the Government to adopt a different course, the figure of 5 per cent, being raised to a figure (8 per cent.) broadly corresponding with the cost of the Government's solution, and the employer thereby relieved of the necessity to pay lump sums to the State. This proposal, which, while greatly improving the attraction of contracting out at an insignificant cost to the State, has unfortunately met with no success. But an alternative solution is offered by the amendment agreed in the Lords on July 23, allowing occupational pension schemes to be exempted from paying a buy-back premium by providing escalation at an appropriately enhanced rate.

We recall the hopes, so often expressed, that the present Social Security Pensions Bill would end the repeated swings of the pendulum which have over ten years now prevented real progress in the development of occupational pensions, and would therefore end the solution of the problem of establishing a genuine partnership between the pension schemes and the occupational pension schemes—the latter being recognised as giving great value for the employee concerned and, for the nation, contributing greatly to the raising of funds for industrial investment.

Regrettably, these hopes have

been seriously set-backs in the

discussions which have taken place on amendments suggested by the pensions industry, although we recognise that some of the proposed amendments have been, at least in part, accepted by the Government. Of course the acceleration in recent months of inflation of an already alarming rate of inflation had had much to do with the erosion of confidence. But this makes all the more important the modification of features of the scheme which must constitute a major disincentive to employers to contract out.

It is therefore our most earnest hope that something on the lines of the amendment agreed to in the Lords on Wednesday will be retained in the Bill when it returns to the Commons to-day.

D. F. Gilley,
Chairman, The National Association of Consulting Actuaries.

Max Lander, chairman, The National Association of Pension Funds;

Sir Donald Sargent, chairman, The CIB Society of Pension Consultants;

67, Buckingham Street, W.C.2.

Hastily drafted legislation

From the Managing Director, Pension Planners (Europe).

Sir—Among the clouds concerning the shape of the Government's anti-inflation measures, those which relate to pensions are the most baffling. The indications seem to be that Mr. Foot intends to include occupational pensions in his overall 8% limit. Is it conceivable that a responsible leader, and a Socialist, can really mean to do this? Or is it simply that he and his advisers have not quite thought through the implications of such a step? If pensions are not exempted from the provisions of the Remuneration Charges and Grants Bill the following will inevitably result:

Investment in industry will suffer incalculably. Pension funds account for a massive proportion of investment in this country. A reduction in the potential inflow of funds can only serve to exacerbate the plight of British industry. Who will suffer? Every citizen of this country.

Any increase in the number of employees who look forward to a real retirement income will be halted—at a stroke. Who will suffer? Millions of workers who at the present time have no pension to look forward to beyond the State pension.

A few little imposts that still remain towards the improvement of company schemes following Mr. Castle's amendment of the Social Security Act 1973 will not, despite repeated assurances by the Secretary and her Minister of State of the Government's interest in encouraging and furthering the development of occupational pensions, be exempted from paying a buy-back premium by providing escalation at an appropriately enhanced rate.

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Resistance to wealth tax

From Mr. J. Ross.

Sir—Mr. J. E. Talbot (July 24) makes sense in theory but in fact it is impossible for the self-employed or non-Government employee to put by enough to produce an inflation-proof pension. How can 15 per cent, or, indeed, any finite percentage of anyone's earnings produce a pension which by the end of his life may need to be many times his average salary?

Civil servants' pensions are paid for quite differently and so they are in the happy position that they can ignore inflation. Thus they are equivalent to very rich men.

From Mrs. H. Derrick.

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COMPANY NEWS + COMMENT

AAH profit up 29% to record £4.15m.

AGAINST A forecast of a rise of at least 20 per cent, group pre-tax profit of AAH expanded by 29 per cent to a record £4.15m. in the year to March 31, 1975. At the nine months stage it was up from £1.93m. to £1.55m.

And current year profits are in advance of those of the same period last year, the chairman, Mr. W. M. Pybus, reports.

Turnover for the year increased from £114.16m. to £175.83m. Earnings per 25p share are shown to have risen from 20p to 23.1p, and the dividend is lifted to 25.1p, to a maximum permitted £2.7702p net with a final of 4.3203p.

1974/75 1973/74
Turnover £175.83m. £114.16m.

Profit before tax £17.26m. £12.48m.

Bidders' supplies £12.71m. £11.10m.

Rail haulage £0.22m. £0.24m.

Chemical engineering £1.17m. £1.02m.

General engineering £1.21m. £1.15m.

Marine £0.28m. £0.25m.

Total turnover £175.83m. £114.16m.

THE DIVIDEND PROFIT:

Solid fuel 2.71p 1.67p

Oil 46p 27p

Rail haulage 43p 22p

Chemical engineering 1.17p 1.02p

General engineering 1.21p 1.15p

Marine 0.28p 0.25p

Total trading profits 4.72p 3.52p

Net interest payable 56p 34p

Profit before tax 2.49p 1.22p

Taxation 52p 31p

Net profit 1.93p 1.55p

Virtually all PCBs, etc. 72p 51p

Profit after tax 1.85p 1.45p

Attrib. Ordinary 1.14p 0.95p

Ord. dividends 415p 360p

Including 512,000 shares 1.14p 0.95p

20p dividend 2.49p 1.22p

The chairman says it is much too early to forecast the outcome of the current year; it may well be that this year will see a move back to the more traditional pattern of a greater proportion of profits being earned in the second half.

"I am, however, convinced that the group has the management and financial resources to give the same good account of itself in the future as it has done in the past," he adds.

He points out that profits from continuing diversifications have increased in the past six years from £55,000 to £2,169,000.

• **Comment**

A cold snap in the weather during the closing stages of AAH's financial year made a big difference to final-quarter figures — mainly in the solid fuel division — and was instrumental in lifting the annual profit slightly better than the 20 per cent growth rate predicted after nine months. Both solid fuel and fuel oil distribution are continuing to show their paces in the current year, keeping group profits ahead at this stage. Builders' merchants and road haulage are both profitable and poised for any recovery, and in the first half ended March 1975 profits have fallen from £87,000 to £19,000, but "this is quite well". A cold winter after a mild one would really come for the full year. The interim dividend is raised

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achieved in the current 12 months and the balance sheet, when published, should show a very strong base on which to operate. The market is, unfortunately, pleased with the result and has pushed the shares to 121p where the yield is 10.3 per cent, covered 2.9 times.

FROM turnover higher by over 55 per cent for the year to March 29, 1975, Alfred Preedy and Sons, wholesale and retail tobacconists, etc., achieved an increase in pre-tax profit from £565,130 to £782,282, after a first-half advance from £170,350 to £228,880.

Chairman, Mr. H. L. Preedy, tells his shareholders that the group may have exceeded the profit margin levels under the Counter Inflation Act, 1973. Discussions are currently in progress with the Prices Commission—and by the time the annual accounts are published, it is hoped to have established a new limit of 16 per cent.

Earnings per 25p share for the year are shown to have risen from 5.55p to 8.27p, and the net dividend total is lifted from £1,639,253 to £1,764p with a final of 1.13p.

The directors propose to increase the authorised capital to £2,651,000 and to capitalise £153,000 of reserves in making a one-for two scrip issue. They also recommend an increase in borrowing powers.

1974/75 1973/74
Turnover £24,451,000 £19,222,500
Profit before tax £702,362 £362,135
Attributable £621,472 £323,512
Prof. dividends 10,621 £6,454
Ordinary 74,855 £5,925

• **comment**

Hall-Thermotank's custom of completing profits only on contract completions builds a lot of uncertainty into the prospective 1975 outcome. Assuming certain strategic completions, on schedule, then the shortfall on last year's result could be fairly slender, making the financing factor in turn worth a sharp recovery in margins. But the shifts of emphasis which are starting to emerge offset the limited relevance of the interim figures.

Exports, for example, are ahead by approximately 10 per cent, and the main maintenance and leadership in industrial refrigeration, and a downturn into the red on bank borrowings of £4m. underlines the higher cost of trading; it also makes the cost-reducing effect of the recent investment programme look especially timely. At 46p, the target yield is just under 10 per cent.

With some substantial contracts to be completed towards the end of the year, accurate forecasting is impossible. Nevertheless, the group continues to benefit from its past high investment programmes.

1974/75 1973/74
First half £19,222,500 £17,741,724
Turnover 20,401 £17,295 £17,765
Profit before tax 702,362 £362,135
U.K. tax 67 211 222
Overseas tax 61 103 475
Prior year credits 10 13 11
Bank overdrafts 150 161 111
Prof. divs 32 37 32
Available Ord. 93 97 133

Main surpluses from sales of property and unrealised differences in currency value.

In the first half ended March 1975, profits have fallen from £87,000 to £19,000, but "this is not a reliable guide to the outcome, as mild ones would really come for the full year". The interim dividend is raised

from 2.8p to 3p per net 25p share. Last year's total was 8,225p.

The interim dividend is lifted from 2.8p to 3p per net 25p share. The total for the year to September 30, 1975, is expected to be a big recovery from the 1973/74 setback, when the taxable profit fell from £175,135 to £55,787.

The interim dividend is lifted from 2.8p to 3p per net 25p share. Last year's total was 8,225p.

This would give a total of over £1m. for the year to September 30, 1975, to be paid in 1976/77, a big recovery from the 1973/74 setback, when the taxable profit fell from £175,135 to £55,787.

The interim dividend is lifted from 2.8p to 3p per net 25p share. Last year's total was 8,225p.

in long-dated fixed-interest stocks and this is a further factor which helped to prompt Mr. Joseph's remarks on dividends. Some of these sales have taken place since the close of the year and there is consequently a larger than usual amount of liquid funds available

• **comment**

Higher volume, largely inspired by a general price-cutting policy, sees the main factor behind Alfred Preedy's 1974/75 pre-tax growth—profits 31 per cent, higher on a 43 per cent rise in sales. The group was attempting to sell at competitive prices throughout last year but the main benefits appeared to come in the January/March period after the group had made an across-the-board rise in its 29p per cent, twenty per cent retail sales of cigarettes. Demand has apparently remained at a high level so far in 1975/76 and, though the current talks with the Price Commission could result in a further decline in pre-tax margins (these slipped from 3.26 per cent to 2.96 per cent last year), the chances of a reasonable improvement in profits look good. This provides some backing for a yield at 30p of 3.6 per cent.

The chairman is right to say that this is a further factor which helped to prompt Mr. Joseph's remarks on dividends. Some of these sales have taken place since the close of the year and there is consequently a larger than usual amount of liquid funds available

• **comment**

In many ways Oil and Associated Investment Trust epitomises the dilemma of the small (12,13m.) independent operator in today's conditions. Its performance has not been bad and it has increased its dividend, but it is too small and isolated to be an actively dealt-in stock or to take chances in its speciality. The portfolio is overwhelmingly in quoted oil shares and majors like Shell, BP, Petrofina and Standard Oil amount to almost 40 per cent of total net assets. At a discount of roughly 23 per cent, at 43p the trust is not in a position to make a significant impact in the investment trust field (these days) and is a prey to speculative interest—for example, through the recent revelation that Slater Walker holds around 12 per cent of O & A's equity in its various portfolios.

As reported, revenue before tax for the year to March 31, 1975, after tax from £172,637 to £211,811 and after tax from £15,420 to £140,192. The dividend is lifted from £33,275p to £54,250p net.

The chairman warns that holders must not assume the current rate of dividend can necessarily be maintained. These are not normal times and the safeguarding of dividends, to any extent, that this may be possible will be considered to be of primary importance, even if necessary at the expense of dividends, he explains.

The Board has reduced holdings

of external interests and is now in a position to serve export requirements and is well placed to meet future export expansion.

The current world economic situation makes it difficult to comment on the outcome of trading but ADP's continued strength in exports and earnings from duty-free activities provide a firm base for future improvements in sales and profitability.

• **comment**

On a turnover of £130,000 to losses of £120,000 in ADP's wine shipping division has marked an otherwise buoyant performance: pre-tax profits elsewhere have risen by 55 per cent. However, full provision against stock losses have been made and, on the back of fresh business, some improvement is expected this year. On the whisky export front, the company's predominance of bulk products has benefited from the trading down seen in major markets, but cased sales (70 per cent in U.S.) have also made good progress. This could provide a buffer against the downturn registered in Italy since the end of March group net borrowings were £16.4m. or less than half tangible shareholders' funds, and these ratios have not altered since that date. At the same time, Chubb's capital spending is now tailing off, and anyway over the past three years retentions and depreciation have, on average, been at something like 50 per cent above the cost of net additions to

fixed assets. Chubb's return on capital employed has averaged 16 per cent over the past five years. And at 16p, down 7p per share, the rights are worth 20p a share and the ex-rights yield is a prospective 6 per cent.

The new shares will not rank in the first dividend until July 16, 1976, and should be received in 1975/76.

The company expects to recommend dividends for the year ending March 31, 1976, at an aggregate rate per share 10 per cent higher than that of the past year.

Net proceeds will contribute towards the funding of a new factory, which cost £1.6m. and has been financed by overdraft.

It will also provide the company with resources for future capital expenditure.

The issue has been underwritten by Kleinwort Benson and the brokers to the issue are Hoare and Co. Govett.

• **comment**

Chubb's rights issue is no emergency funding operation but a move to tap the present ready market in equity cash. At end-March group net borrowings were £16.4m. or less than half tangible shareholders' funds, and these ratios have not altered since that date. At the same time, Chubb's capital spending is now tailing off, and anyway over the past three years retentions and depreciation have, on average, been at something like 50 per cent above the cost of net additions to

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fixed assets. Chubb's return on capital employed has averaged 16 per cent over the past five years. And at 16p, down 7p per share, the rights are worth 20p a share and the ex-rights yield is a prospective 6 per cent.

The new shares will not rank in the first dividend until July 16, 1976, and should be received in 1975/76.

The company expects to recommend dividends for the year ending March 31, 1976, at an aggregate rate per share 10 per cent higher than that of the past year.

Net proceeds will contribute towards the funding of a new factory, which cost £1.6m. and has been financed by overdraft.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Mees en Hope suspended after merger rumours

BY MICHAEL VAN OS

DEALINGS IN the shares of the Dutch Mees en Hope Group were suspended on the Amsterdam Stock Exchange to-day pending a statement to be released here tomorrow. Last Friday, there were rumours circulating on the stock exchange that the group, whose principal activity is in the banking sector, was involved in merger negotiations. The name of the company that may make a bid for the group was Rabobank, according to the reports. Rabobank is the agricultural cooperative banking group which is the largest banking institution in Holland in terms of balance sheet totals.

By far the group's largest subsidiary, Bank Mees en Hope, is Holland's fourth largest commercial bank, which has a relatively small retailing division on the Dutch market. The bank contributed Fls.21.1m. (up 8 per cent. on 1973) to the group profits last year which were Fls.27.1m. (up 10.1 per cent.). The bank's revenue went up a modest 6 per

cent to Fls.125.4m. last year. Nederlandsche Middenstand, the group's bank (third in the commercial bank league) in Amsterdam, in which profits are developing this year.

As a result of the merger per cent interest.

rumours late last week, the Bourse sources said, that the group — in which the U.S. Mees en Hope group had been a

larger single shareholder with 20 per cent — saw its share price rise to Fls.154 at Friday's close which was Fls.4 up on the Amro group earlier this year. Joining Mees en Hope with a larger group had become desirable as an indirect result of the large demand for credit caused partially by inflation. The smaller banks in particular have been hard pressed to meet the Central Bank's stringent solvency requirements and the availability of an extensive office network to attract the public, which was an important factor of here.

At the moment, the Mees en Hope Group is being run by Dr. H. Brouwer, the former Supervisory Board chairman of the Pakhuis Storage and Transport group in Rotterdam.

The Mees en Hope group was subject to merger rumours earlier this year, too, after it was revealed that Group Chairman Dr. F. Grapperhaus, a former State Secretary at the Finance Ministry, had resigned from the direction of the Supervisory Board over the "future course" of the group.

It was generally believed, however, that Dr. Grapperhaus had favoured a Mees en Hope merger with another banking group, and the bank mentioned was the

Rabobank, according to the reports.

Rabobank is the agricultural cooperative banking group which is the largest banking institution in Holland in terms of balance sheet totals.

By MICHAEL VAN OS

AMSTERDAM, July 28.

Attempts to bail out Patrick

By Kenneth Randall

CANBERRA, July 28. MAJOR CREDITORS of the embattled Patrick group of stock-broking and finance companies agreed today on a temporary deferral of action pending attempts to raise about \$42m. necessary to bail out the group.

The creditors, who are not identifying themselves at this stage, met in Sydney amid widespread speculation that an approach might be made to the Government to "rescue" the group because of the repercussions of a collapse.

Patrick Partners Australia's biggest stockbrokers, closed their doors to-day and a provisional liquidator began examining the affairs of their principal investment, Patrick Corporation.

Patrick Internationale Acceptances, wholly owned by Patrick Partners, placed Patrick Corporation in liquidation after Patrick Corporation had advised that it could not repay \$42.1m. owed to PIA, should it be called.

Patrick Partners itself has \$A2.2m. on deposit with PIA and regards its recovery as doubtful, according to a statement issued by the firm last night. The Committee of the Sydney Stock Exchange to-day appointed a Receiver to Patrick Partners — Mr. G. W. Killeher, of the accountants Peat, Marwick and Mitchell.

After today's informal meeting with creditors, Directors of Patrick Corporation issued a statement saying they had been given a "short time" to study possible reconstruction. Creditors had agreed on the action without legal commitment.

Mr. J. H. Jamison, senior partner of the accountants Coopers and Lybrand, who has been appointed Trustee by each of the 12 partners in Patrick Partners, said later that \$42m. would have to be found by the end of the week if a rescue was to succeed.

It would be a risk investment, not a commercial proposition, and he would not encourage anyone to undertake it without knowing the situation.

Earlier today, the New South Wales Government asked its Corporate Affairs Commission to investigate the affairs of the Patrick Group but there is no indication of what an inquiry might start.

The full ramifications of the collapse in other directions are also unclear as yet.

Mr. Jamison said it was too early to know the causes of Patrick's troubles.

The chances of Federal Government assistance to the ailing group seem slight in the time available.

FRANKFURT, July 28.

Commerzbank interim report highlights private savings

BY GUY HAWTIN

COMMERZBANK. West increased by some DM55m. At the same time, discount credits decreased in the first six months.

Earnings in the first half of 1975 were satisfactory, says the report. Interest margins were somewhat lower than the very high level reached in the autumn of 1974, but net interest income stood 11.7 per cent. above the 1974 figure.

Commission receipts rose, reflecting the high level of activity in the bank's issue and stock market business. The bank also realised substantial profits through its own securities dealing, says the report.

Against this, however, administrative expenditure rose by 10.8 per cent. Personnel costs went up by 10.5 per cent. as a result of a 5.5 per cent. pay award. Increases in staff and improved social benefits

reinforced longer term lending capacity. The issues "enabled the bank to grant six-year fixed interest credits to small and medium sized businesses."

The bank's presence overseas is to be expanded and representative offices are to be opened in Moscow, Cairo and Jakarta. Since the beginning of the year, 13 new offices have been opened in this country. One should not overlook the fact that risks in the lending business have generally become larger."

Overall, net interest and commission income in the first six months totalled DM590.5m. This exceeded half of the previous year's total current expenditure grew by DM33.1m. The bank comments: "the balance of these figures—and thus the decisive component of our operating results—rose by DM22.5m. (but) in this context, one should not overlook the fact that risks in the lending business have generally become larger."

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



A. AHLSTRÖM OSAKEYHTIÖ

U.S. \$60,000,000

SEVEN YEAR EURODOLLAR LOAN

PARTIALLY GUARANTEED BY

NORDISKA FÖRENINGSBANKEN AB
POHJOISMAIDEN YHDYSVANKKI OY

MANAGED BY

CITICORP INTERNATIONAL BANK LIMITED

NATIONAL WESTMINSTER BANK LIMITED NORDISKA FÖRENINGSBANKEN AB

AND PROVIDED BY

FIRST NATIONAL CITY BANK

NATIONAL WESTMINSTER BANK GROUP

BANK OF MONTREAL

THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED

NORDISKA FÖRENINGSBANKEN AB

THE CHASE MANHATTAN BANK, N.A.

GRINDLAYS BANK LIMITED

LEVING TRUST COMPANY

BANQUE LAMBERT SCS

DRESDNER BANK AG LONDON BRANCH

CITICORP INTERNATIONAL BANK LIMITED AGENT

Poland plans major Euromarket borrowing for coal project

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

POLAND, which rates as one basis for borrowing are among to accept them against it, will because the loan was heavily confident about the loan.

The extent of Western participation in the Lublin project is another major loan in the coming months. Polish banking sources confirmed in London yesterday.

The news comes only a few weeks after Poland's last big loan, the copper loan meanwhile, appears to have set new precedents in East-West trade, and not

so much because it showed that a Comecon country was willing to be very open about its plans to another large borrowing.

The Poles have confirmed that the loan will be tied to the loan agreement allows lenders periodic access to facts

recently discovered hard coal and figures about both copper deposits in Lublin in the eastern part of the country.

According to the Poles, the provision that if foreign earnings requirement will be less than the copper it but could be in the region of \$200m.

Polish sources yesterday firmly denied a report that a recent French loan for coal development had to be guaranteed by a French bank to make it acceptable.

Despite the heavy borrowing under the leadership of Mr. Edward Gilewski, Poland's industrial output the Poles claim

that their basic payments position is still strong. Through refusing to give details of reserves, they say that their total borrowing is below one year's total export earnings, from East

and West, and that debt servicing accounts for 13 to 13.5 per cent. of present foreign earnings.

This is believed to be lower than the Soviet Union's position which, according to calculations by the Economic Commission for Europe, is closer to 20 per cent.

But while they do not deny this, the Poles point out that widely regarded as the highest acceptable limit.

According to the Poles, they might be Weglowisko, the state

cooking oil trading agency.

Like the copper loan, prospective lenders for the coal project will be given full details of the development as well as of Poland's coal export prospects.

This willingness to repay the copper sales plan, combined with the strength of coal as a

reserve draw on resources elsewhere.

Nevertheless, there is believed to be dissatisfaction in Poland about the terms of the loan which carry obvious political implications.

But it seems a large increase in exports as unlikely that Poland was forced its new projects come on stream.

Poland's position is that the loan could be the last deal of its kind for a long time. With most of the major investments under way, Poland is now looking for

new projects to come on stream.

According to the Poles, they are now reaching the end of their current oil, oil borrowing, and the cost of oil borrowing

COMPANY NEWS

**Macdonald Martin
U.S. sales down**

THE OUTLOOK in the U.S. market for the first half of the present year of Macdonald Martin Distilleries is not encouraging, reports the chairman Mr. G. A. Rattray. That market is still the company's principal outlet, and there is evidence of some downturn in sales of Scotch whisky.

But there are such as the sales of Glenlivet, and the financial position remains strong, with a sound investment in stocks and comparatively little borrowing, he says.

In the second half of the year ended March 31, 1975, orders from export markets, particularly the U.S., fell short of expectations. Against a forecast of over £1m., profits for the year came to £887,943 (£855,512 previously), as stated on June 4 with the 7p (65p) dividend.

The first half took in £284,000 profit from special "sales of unusual stock" to reverse the downturn in view of economic conditions. "We have no reason to regret the timing of these sales," the chairman tells members.

Mr. Rattray is retiring from the Board, and Mr. R. J. Macdonald

will take over as chairman and managing director.

Meeting, Edinburgh, August 21.

Chairman's statement Page 21

Mr. G. A. Rattray

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WALL STREET + OVERSEAS MARKETS

+ FOREIGN EXCHANGES

Off further 6 on domestic pressures

BY OUR WALL STREET CORRESPONDENT

THE DECLINE continued on Wall Street today, reflecting Mid East tensions and a variety of domestic pressures.

The Dow Jones Industrial Average lost another 6.26 to \$27.84, while the NYSE All Common Index gave up further cents to 305.51, while declines outpaced gains by 1055 to 345. But the trading volume contracted another 260,000 shares to 1425m.

Pressure of rising U.S. interest rates continue, with a prime rate increase to 7.5 per cent from 7.4 per cent spreading among major banks.

Brokers also reported apprehension that the Federal Reserve Board might continue to tighten its monetary policy because of continuing growth in the money supply.

Wall Street showed no immediate reaction to the Commerce Department's report of a U.S. trade surplus in June.

Semiconductor shares continued to encounter selling pressure. Fairchild Camera slipped \$1 to \$47.70 on its sharply lower second quarter profits.

National Semiconductor shed \$2.35, and Motorola was down \$1 to \$41. But Texas Instruments were firm, despite reduced quarterly profits.

Gulf Oil, Occidental Petroleum and Phillips Petroleum each eased after reporting lower earnings. Heavily traded Continental Oil gave way \$1 to \$60.

The Peugeot sold \$11 to \$12.13 among chemicals.

Steels were narrowly mixed.

Motors eased, pending second quarter earnings.

General Mills finished unchanged at \$34.15 after announced a two-for-one stock split and also an increase in the quarterly payout.

Teldec gained \$1 to \$10.62 on sharply higher second quarter net.

Martin Marietta tacked on \$1 at \$17.25 after a \$4.5m Army contract for development of a laser-guided artillery shell.

Playboy Enterprises jumped \$2 in \$41 on its London club setting up a bookmaking operation.

Lotto declined \$1 to \$61 on liquidity problems.

U.S. Oil of California fell \$1 to \$43.15, substantially lower second quarter net.

The American SE Market Value index moved down 0.50 to 90.34, with declines outnumbering advances by 467 to 163.

OTHER MARKETS

Canada again lower

Canadian Stock markets lost further ground in light trading yesterday morning.

The Industrial Share Index dipped 0.23 to 189.72. Base Metals

0.17 to 78.52. Western Oils 1.24 to 183.55. Utilities 0.05 to 189.55. Chemicals 0.11 to 113.74. But Golds moved up 2.94 to 387.33 and Banks firms 0.42 to 275.13.

Among Oils, Dome Petroleum lost \$2 to \$304 and Home Oil "A" \$1 to \$27.57.

Canadian Industrial Gas were up \$1 to \$74 on 25,410 shares. Hudson's Bay Oil and Gas held unchanged at \$30, following its higher first half earnings last week.

ATCO Industries "A" rose \$1 to \$211 on higher first quarter earnings.

PARIS—Firm in active trading, ahead of possible economic measures.

Bank, Roads, Rubbers, Constructions, Motors, Electricals and Chemicals were all better.

In Foreign stocks, American, Germans and Dutch issues were irregular. International Oils eased, while Gold and Copper remained firm.

BRUSSELS—Steady to slightly firmer in quiet trading.

FN rose Frs 25 to 1,980, but Sofina lost Frs 30 to 3,305 and Union Miniere shed Frs 12 to 1,862.

Gold Mines followed the London bullion fixing. German stocks were steady. U.S. issues fell in line with Wall Street, but other Foreign stocks were little changed.

Insurances, Transportation and Dutch Industrials were mostly steady.

Bonds gained an average of Frs 10 to Frs 20.

GERMANY—Shares closed predominantly higher with business more active in Machines and Chemicals.

Banks were generally higher trading.

Among Internationals, Akzo rose DM 0.10, Royal Dutch Frs 0.50, Philips Frs 0.10, Royal Dutch Frs 0.30, Deutsche Bank DM 0.30 and Dresdner Bank also DM 0.24 to 242.

In higher Electricals, AEG put on DM 0.10 to 74 and Siemens Bank firm Frs 0.4 to 74.9. Trade was suspended in shares of Bank Mees and Hoepe—a communiqué can be expected today.

Insurances, Transportation and Dutch Industrials were mostly steady.

Motors advanced with VW rising Frs 0.10 to 1,680, BMW Frs 0.20 to 222 and Daimler also DM 0.24 to 292.

Machine Makers were strong in active trading with gains ranging from DM 3 to DM 8. Steels were mostly higher on selective interest.

Minings were mixed to lower. Utilities generally eased. Stores were irregular, with Bremen being the only one to show what lower.

The Bond Market improved markedly and the Authorities were obliged to buy only DM 10m nominal of stock against DM 90m on Friday. Public issues were still little changed but Mark Foreign Loans easily.

VIENNA—Steady trend.

COPENHAGEN—General higher in quiet dealings.

OSLO—Quiet. Banks were steadier.

NEW YORK, July 28.

The U.S. dollar improved yesterday, being helped mainly by the U.S. record trade surplus in June. Sterling closed at \$2.1760-2.1770 having opened at \$2.1800-2.1870 and easing to \$2.1750-2.1760 in early dealings. The dollar's trade-weighted average depreciated against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of New York, on noon rates narrowed to 3.23 per cent, from 3.39 per cent, its best level since February 11, 1974.

Gold gained \$1 on balance yesterday, closing at \$166.8-167.8.

Business was fairly quiet with the major currencies steadily from the opening of \$164-1674. The krone, as calculated by the Bank of England improved to 25.6 per cent from 25.8 per cent on Friday with \$176-178 (\$301-311).

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FARMING AND RAW MATERIALS

Tin values higher in London

By Our Commodities Staff

TIN PRICES rose steadily throughout the day on the London Metal Exchange yesterday following the \$12 a picul increase in the Straits tin price in Penang over the weekend.

By the close, standard cash tin had risen by £4.5, to £3,181.5 a tonne, while the three months position was £53.5 up, at £3,185 a tonne. Tin stocks in LME warehouses fell by 85 tonnes, to 5,435.

Copper stocks rose by 8,250 tonnes to a new peak of 334,575 tonnes but with little if any impact on the market which opened firm. At the close, cash wirebars were £1.75 higher, at £74.75 a tonne.

Small gains also were recorded in the lead market where cash lead finished at £107.05 a tonne, up £1.625. Lead stocks rose by 600 tonnes, to 57,880, but zinc stocks fell 500, to 21,575. Cash zinc closed £1.25 up, at £32.5 a tonne.

London silver prices followed the strong upward movement in New York, the spot bullion prices closing 20.5 up, at 223.50 a troy ounce. Silver stocks in LME warehouses fell 160,000 ounces, to 14,080,000 ounces.

Sharp fall in cocoa market

By Our Commodities Staff

COCOA PRICES fell sharply on the London terminal market yesterday with the September position ending at £602.75 a tonne, £3.75 below Friday's closing quotation.

The initial decline was seen as a reaction to the rise which had lifted September cocoa by nearly £200 a tonne in just over a month. But this triggered profit-taking and stop loss sales as well as belated hedging against recent physical purchases by manufacturers.

The decline was aided by the availability of cheaper cacao on the actuals market, particularly from the African new crop.

Purchases of Ghana mid-crop cacao for the seventh week of the season (July 24) are estimated at 429 tons, according to the Ghana Cocoa Marketing Board, reports Reuter from Accra. This brings total mid-crop purchases this season to an estimated 3,885 tons, against 4,236 tons after seven weeks last year.

Soviet buying speculation excites grain markets

By PETER BULLEN

RENEWED SPECULATION over the eventual quantity of grain that the Soviet Union will buy this year caused a further flurry of excitement on world markets yesterday.

Prices on the Chicago grain market opened sharply higher—many by the maximum permissible—due mainly to pre-week-end statements by U.S. Department of Agriculture officials that, despite Soviet purchases of over 13.6m. tonnes of grain so far, the USSR might eventually have to buy far more.

According to the firmness in the Chicago grain price, weather reports from Iowa, which produces some 20 per cent of the U.S. maize crop, which said rains was urgently

needed to help the U.S. maize crop, was the major grain producer which said rains was urgently

In London, grain markets were firm, but more subdued than in Chicago. English milling wheat rose 50s to 59.50 a ton, and home barley futures were up 50s to £58 a ton.

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STOCK EXCHANGE REPORT

Firm British Funds lead technical rally in equities

Share index up 7.8 at 294.5—Rumours weaken BP

Account Dealing Dates a public offer for sale of Burmah's former stake in BP.

First Declarer Last Account Option

Dealing Goms Dealings Day

July 14 July 24 July 25 Aug. 5

July 28 Aug. 7 Aug. 8 Aug. 15

Aug. 11 Aug. 20 Aug. 21 Sep. 2

"Now time" dealings may take place from 1.30 am. two business days earlier.

Another good performance yesterday by British Funds helped sentiment in leading equities, which staged a useful technical rally on the first day of a new Account.

Gilt-edged securities attracted renewed demand which persisted throughout the day. Short-dated issues closed with gains to 1 and medium with rises to 1, while long-dated maturities were up 1 to 1. The Government Securities index put up 0.60 to 41.04, thus more than erasing last week's fall of 0.48.

Leading equities were hesitant in the first hour or so of trading, but as the strength of gilts built up so early sellers of equities went to ground and prices of the latter began to move ahead. Sentiment was boosted by the willingness of City institutions to back an ailing industry in its rescue plans for Foden's. In the event, little could be read into the rally because trading was so thin that it took only a small amount of buying to lift the market 10 points to 10. The FT 20-share index advanced 1.30 to 234.3, but official markets remained below the 3,000 mark at 2,884 and compared with last Friday's 2,784 and the weekago figure of 2,697.

Week-end Press comment produced few features among which British Petroleum weakened 17 to 495p on the possibility of

having discounted Friday's rise in Minimum Lending Rate, generally considered a short-term emergency move in the market. British Funds went ahead impressively with yield attractions the major stimulant. Demand for long-dated issues was constant and reasonably-sized which led to final rises of a point and a little more in places. A good interest was also forthcoming for the shorts and this easily countered sales, which presented switching longer, to leave quotations with gains extending to 4 to 4½. The continued absence of any new long "tap" issue was a bolstering influence.

An uneventful day in the investment currency market came to its conclusion with the premium 14 lower again on the day at 841 per cent. Yesterday's S.E. conversion factor was 0.6434 (0.6410).

Keyser good again

Small demand took the big four Bank shares higher, with Lloyds rising 10 to 240p and Barclays 7 to 185p. National Westminster added 5 to 187 and at 232p but National Westminster added only 2 to 200p. Bank of Scotland recovered 6 to 230p. Last week on dearer money fears, accounts started to pick up again. Allianz, Harrison and Ross regained 20 to 300p in a thin market and Alexander's hardened 3 to 188p. In Merchant Banks, Keyser Ullmann continued to respond to a recent Press "tip" with a gain of 7 more to 35p.

Insurances continued to edge

higher on small investment buy-

ing. Gains ranged to 5 as in San Alliance, 287p, "Royals" (including 100p), "Regals" 100p, "Royal" 100p, "Pearl" put on 4 to 194p and Leslie and Godwin 2 to 185p the latter after the interim dividend.

Breweries continued in firm vein on little business. The latter hardened 2 to 60p, while favourable Press comment helped Boddingtons close similarly dearer at 220p. Small buying on hopes that Ellerman Lines will soon announce bid terms took J. W. Dingley up 5 to 125p. Elsewhere, Distillers improved 3 to 125p. Amalgamated Distilled Products were unaltered at 39p despite the results.

Among generally quiet Buildings, Francis Parker attracted renewed support and closed 4 higher at 4p following a reasonable turnover. Gains of 5 were seen in Burmab, 185p, and International Paint, 155p, while NEP picked up 3 more at 35p pending fresh developments in the ground on modest buying before finishing a little below the day's best. Favourable week-end Press comment aided GEC's 51p firmer at 125p, ex 125p, and EMI 41p at 125p, after 125p and EMI 41p at 125p, after 125p. Thorn Electrical closed 7p better at 71p, after 72p. A firming tendency was also apparent in secondary issues, where Rail Electronics rose 9 to 294 in a thin market. Electric hardened 3 to 36p, while Cables, 50p, and Ready, 51p, gained 3p apiece. On the other hand, A. E. Sulz 12p, Derman Smith Ordinary and "A" non-voting eased 2 to 12p. Derman Smith Ordinary and "A" were quoted ex scrip issue at 12p and 125p, both improved 4. John Brown rallied

10p to 125p, while Maryston 12p, 125p, and L. F. D. D. 12p, 125p, both small all-paid shares.

Electricals' leaders gained 10p to 125p, but small all-paid shares a penny better at 125p and 125p. Elsewhere, GEC's 51p, Amalgamated Distilled Products 3 to 125p, and Clarke's 12p, 125p, were raised 5 to 55p, while Maryston 12p, 125p, and L. F. D. D. 12p, 125p, all paid shares.

In Foods, Tate and Lyle closed 5p better at 190p, after 191p, but the new all-paid shares, after being raised to 125p premium, were fully unchanged on the day at 9p premium following a reasonable turnover.

Gains of 5 were seen in Burmab, 185p, and International Paint, 155p, while NEP picked up 3 more at 35p premium following a reasonable turnover.

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FINANCIAL TIMES STOCK INDICES

	July 21	July 22	July 23	July 24	July 25
Government Bonds	51.00	50.49	50.35	50.57	50.46
Fixed Interest	60.11	60.58	60.54	61.05	61.05
Industrial Ordinary	284.5	286.7	285.4	284.2	284.2
Gold Mines	358.6	346.5	345.5	345.5	345.5
Ord. Div. Inv. 5%	6.24	7.03	7.10	7.00	5.87
Earnings Inv. 5%	20.04	20.43	20.53	20.53	20.53
P/B Ratio (ex 10)	7.12	6.99	7.02	7.15	7.15
Dealing marked	4,864	4,799	4,823	4,823	4,823
Equity Turnover Inv.	44.79	45.36	45.99	45.99	45.99
Equity Turnover Total	13,821	13,828	13,817	13,816	13,816

10 a.m. 29/7. 11 a.m. 30/7. 1 p.m. 31/7. 2 p.m. 1/8. 3 p.m. 2/8.

(a) Based on 100 per cent. corporation tax. (b) N.I.T.C. (c) Min. Earnings Inv. 5% (d) S.E. Activity Inv. 5% (e) Govt. S.E. Activity Inv. 5%

Highs and Lows

S.E. ACTIVITY

	1975	Since Corporation	July 25	1975
Govt. Secs.	62.34	62.18	62.18	62.34
Fixed Int.	58.81	50.62	50.62	58.81
Ind. Ord.	365.3	345.4	345.4	365.3
Gold Mines	446.4	420.1	420.1	446.4

Highs and Lows

S.E. ACTIVITY

Highs and Lows

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London, Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Abney Inv. 2p	14	Great Ship £1	410	Shallow Spins	23
Ash Spinning	36	Hallam Sleigh 10p	42	Sindall (Wm.)	43
Borland	162	Higsons Brew.	83		
Brady (G.) A.	45	L.O.M. Stan. £1	120		
Bdgwth Est. 50p	105	Holt Jcs. 25p	185		
Clover Cref.	25	Kleen-e-Ze	24		
Craig & Rose £1	119	Lowell's Ship £1	130		
Dyson (R.A.)	39	N'han Goldsmith	90		
Ellis & McHdys.	57	P.M.A.	35	Alliance Gas (E1)	58
Evans Frk. 10p	36	Pearce (C. H.)	60	Carroll (P. J.)	109
Evered	14	Preb Mills	16	Cloudukin	49
Fife Forge	47	Richards 10p	71	Concrete Prdls.	60
Finlay Fng. 5p	15	Robt. Jaledin 5p	28	Goodbody (E1)	58
Frost & Reed 50p	85	Sayers 12.5p	6	Heston (Hdges.)	20
Gardiner & Sons	11	Sheffield Wink.	60	Irish Distillers	63
Gardner (L.)	62	Shell. Reitshand	142	Irish Wire	50
				Jacob	50
				Sunbeam	9
				Unidare	65

Macdonald Martin Distilleries Limited

Mr. G. A. H. Rattray's Review

The Twenty-seventh Annual General Meeting of Macdonald Martin Distilleries Limited will be held at the Registered Office of the Company, on Thursday, 21st August 1975.

The following is the circulated Statement of the Chairman, Mr. G. A. H. Rattray:—

It is disappointing that the results for the full year to 31st March last fell short of the forecast which the directors made at the time of the announcement of the half year's results in November 1974. However, in the second half of the year orders from export markets, particularly the U.S.A., fell short of our expectations, and the final result was a trading profit of £887,343 compared with £655,812 for the previous year. While this result shows a substantial increase in profit it must be remembered that the first half-year included profits of £284,000 resulting from special sales of surplus stocks to reduce the company's overdraft in view of the current economic conditions. We have no reason to regret the timing of these sales.

Profit after tax and all charges is £428,154 compared with £345,614. The interim dividend paid in December 1974 was increased from 2.1p on the A shares and 1.05p on the B shares to 2.6p and 1.3p respectively. Your directors now propose a final dividend of 4.4p and 2.2p on the A and B shares, which is the maximum permissible under current restrictions, making the total dividends for the year 7p and 3.5p per share (6.5p and 3.25p in 1973/74).

1773/741
Forecasting the results for the current year is a hazardous business in the economic conditions prevailing both at home and abroad. There is evidence of some downturn in sales of Scotch Whisky in the U.S.A. which is still our principal market, and the outlook for at any rate the first half of the year is not encouraging. There are, however, bright spots in certain areas, such as our sales of Glenmorangie, and the financial position of the company, with a sound investment in stocks and comparatively little borrowing, remains strong.

all success in the future.

G. A. H. MATT
29th July, 1973.

26th July, 1975.

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CORRECTION

IRAN SURVEY

July 28, 1975

In the advertisement for BANK SEPAH in
the above survey, the correct telex number

CORRECTION

TRAN SURV

July 28, 1975

Lead Office sites

OFFSHORE AND OVERSEAS FUNDS

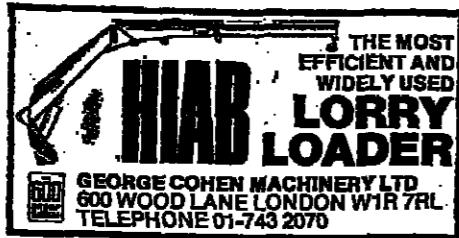
Albany Management Co. Ltd. P.O. Box 1568, Hamilton, Bermuda. Albany Fund Ltd. 105.50 6.50	Charterhouse Japhet 1, Petergate Row, EC4. Adriatica 101.20 12.00 7.01 Adriatica 101.50 12.00 7.15 Fondatek 101.50 12.00 5.35 Fondis 101.24 12.00 6.92 Hispano 101.20 12.00 1.55 Genl. Overseas Sw. F. 101.00 49.00 0.50 3.67	Free World Fund Ltd. Bonnefield Bldg, Hamilton, Bermuda. NAV June 30 1 US\$159.22	Keyselex Mngt. Jersey Ltd. PO Box 98, St. Helier, Jersey. (Box 01-505 7070) Fondatek 101.20 12.00 7.61 Keyselex Int'l. 101.20 12.00 7.61 Fondatek Europe 101.20 12.00 7.61 Keyselex Europe 101.20 12.00 4.70 Japan-Gth. Fund 101.20 12.00 1.00 Keyselex Japan 101.20 12.00 6.30 Central Assets 101.20 12.00 1.00	Samuel Montagu Ltd. Agts. 114, Old Broad St., EC2. Anchor Gth. Edge 101.20 9.35 10.34 Anchor Ital. 101.20 10.00 2.67 Anchor B' Unlt. 101.20 8.00 2.47 Anchor Wall St. 101.20 3.00 2.44 TIAA Amer. Fund 101.20 20.00 2.00 D.G. Wall St. do. 101.20 20.00 2.00 Anchor Amer. 101.20 7.79 4.22 Next sub. date 7/26, Wed. FPI	Target Trust Mgrs. (Cayman) Ltd. P.O. Box 710, Grand Cayman, Cayman Is. Trst. Offshore Ccy. 101.61 6.67 Cayman 5 Value July 16. Next sub. day July 23.	
Australian Selection Fund N.V. 20 Red Lion Court, EC4 U.S. \$10 Shares 1 US\$245	Cornhill Ins. (Guernsey) Ltd. P.O. Box 157, St. Peter Port, Guernsey Int'l. Mngt. Fd. 101.00 151.50	G.T. Bermuda Ltd. Bk. of Bermuda Front St., Hamilton, Bermuda. Berry Pfd July 23 1 US\$24.21 1.78 Da. Pfd July 23 104.00 119.07 1.55 Berry II. July 23 101.20 101.35 1.55 Dir. Pfd July 23 101.20 101.35 1.55	King & Shaxson Mgrs. (Jersey) Ltd. 8 Church St., St. Helier, Jersey. 0034 35511 NGM Fund (Jury) 101.50 18.65 12.00 Next sub. day Aug. 8	Murray, Johnstone (Inv. Adviser) 168, Hope St., Glasgow, C2. 043-221 5521 *Hope St. Pd. 101.50 18.65 12.00 Murray Fund 101.50 18.65 12.00 *NAV July 15. xNAV July 15.	Tokyo Pacific Holdings (N.V.) Int'l. Management Co. N.V., Curacao. NAV per share July 21 US\$30.45	
Brussels: Brussels Lambert 2, Rue de la Bourse B 1000, Brussels. Fd. Fidecom 101.20 9.60 1.50 3.67 Retire Fund LF 101.20 19.70 2.00 8.75 Retire Cap. LF 101.20 39.10 2.00 Cap	Darling Management Ltd. 15, Best St., Sydney, N.S.W., Australia. Darling Fund 101.40 130.00 1.00 7.20	Hill Samuel & Co. (Guernsey) Ltd. 3 Le Gare St., St. Peter Port, Guernsey, Cl. Guernsey Tdr. 101.7 105.6 0.10 3.74	Kleinwort Benson Ltd. Agts. 20, Fenchurch St., EC3. Europ. Inv. 101.20 101.20 2.00 2.00 Guernsey Inc. 101.20 101.20 2.00 2.00 Do. Accrued 101.20 101.20 2.00 2.00 Internat'l. Inv. 101.20 101.20 2.00 2.00 KB Japan Fd. 101.20 101.20 2.00 2.00 Signet Bermuda 101.20 101.20 2.00 2.00 Unilever Inv. 101.20 101.20 2.00 2.00	Negit S.A. 10a, Boulevard Royal, Luxembourg. NAV July 18 75. — US\$9.20	Tyndall Group 0272 32241 Hamilton, Bermuda, & St. Helier, Jersey. O/Sens. Dis. July 23 101.20 12.00 6.00 O/Sens. Acc. July 23 101.20 12.00 6.00 O/Sens. Dist. July 23 101.20 7.45 6.00 O/Sens. Acc. July 23 101.20 5.00 6.00 3-Way Int. July 23 101.20 10.20 6.00 Int'l. Mngt. Fd. 101.20 7.79 6.00	
Ek. of London & S. America Ltd. 40-65, Queen Victoria St., EC4. 01-348 9020 NAIscounder Fund 101.50 91.00 Net asset value July 21.	Delta Group P.O. Box 2467, Nassau, Bahamas. Delta Inv. Fd. 101.20 101.20 1.00 5.07 Delta Inv. Fd. 101.20 101.20 1.00 5.07 Delta Unit Inv. 101.20 101.20 1.00 5.07	Hill Samuel Overseas Fund S.A. 37 Rue Notre-Dame, Luxembourg. Nav. July 15, 1975 1 US\$14.88	Lamont Investment Mngt. Ltd. a. St. George's St., Douglas, Isle. 0024 4882 Lamont Inv. Inc. 101.5 21.9 0.50 8.50 Lamont Inv. Gth. 101.5 20.00 0.50 8.50	Negit S.A. 10a, Boulevard Royal, Luxembourg. NAV July 18 75. — US\$9.20	United States Tel. Inst. Adv. Co. 14, Rue Aldringen, Luxembourg. U.S. Trust Inv. Fd. 101.20 12.00 6.00 Net asset value July 24	
Barclays Unicorn Int. (Ch. Is.) Ltd. P.O. Box 5712, Nassau, Bahamas. NAV July 22 101.20 12.00	Dreyfus Intercontinental Inv. Fd. P.O. Box 5712, Nassau, Bahamas. NAV July 22 101.20 12.00	International Pacific Inv. Mngt. Ltd. P.O. Box 8227, 56 Pitt St., Sydney, Aust. Javelin Equity Inv. 101.20 1.70 0.50 5.75	Lamont Investment Mngt. Ltd. a. St. George's St., Douglas, Isle. 0024 4882 Lamont Inv. Inc. 101.5 21.9 0.50 8.50 Lamont Inv. Gth. 101.5 20.00 0.50 8.50	Negit S.A. 10a, Boulevard Royal, Luxembourg. NAV July 18 75. — US\$9.20	S. G. Warburg & Co. Ltd. 30, Grosvenor Street, EC2. 01-600 45500 CART Ltd. Inv. 101.20 10.00 6.00 Conv. Bond July 25 101.20 10.00 6.00 Energy Int. July 25 101.20 10.00 6.00 Grah. St. Inv. 101.20 10.00 6.00 TMT Ltd. July 10. 101.20 12.00 6.00	
Barclays Unicorn Int. (I. O. Man) Ltd. 20, Victoria St., Douglas, Isle. 0024 4882 Unicorn Inv. Fd. 101.20 4.50 4.20 Do. Amt. Mth. 101.20 20.00 1.50 Do. Inv. Fund 101.20 44.00 10.00 Do. Mngt. Mutual 101.20 22.00 2.00	Ebor Management (Jersey) 37 Broad St., St. Helier, Jersey. 0034 20501 Channel Corp. 101.20 17.5 2.36 Channel Island 101.20 4.50 4.11 Jsv. Fd. July 24 101.20 101.20 10.11	Japan & Far Eastern Secs. Man. Comcast Centre, PO Box 500, Hong Kong Japan & F.E. Inv. 101.20 101.20 2.00	Jardine Fleming & Co. Ltd. 46th Floor, Connaught Centre, Hong Kong Jardine East Inv. 101.20 101.20 2.00 Jardine Fnd. Inv. 101.20 101.20 2.00 Jardine S.E.A. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00	Lloyd's Bk. (C.I.) U/T Mngt. P.O. Box 100, St. Helier, Jersey. 0034 27361 Lloyd's Inv. Overseas 101.20 56.6 1.10 Lloyd's Inv. Overseas 101.20 56.6 1.10	S. G. Warburg & Co. Ltd. 30, Grosvenor Street, EC2. 01-600 45500 CART Ltd. Inv. 101.20 10.00 6.00 Conv. Bond July 25 101.20 10.00 6.00 Energy Int. July 25 101.20 10.00 6.00 Grah. St. Inv. 101.20 10.00 6.00 TMT Ltd. July 10. 101.20 12.00 6.00	
Bridge Management Ltd. P.O. Box 508, Grand Cayman, Cayman Is. Nthmbrd July 10. 101.20 12.00	F. & C. Right. Ltd. Inv. Advisers 12, Leamore, Poulton, Lancs. L30R 0BA 01-623 6800	Centy Fd. July 23 1 US\$3.45 1.00	Jardine Fleming & Co. Ltd. 46th Floor, Connaught Centre, Hong Kong Jardine East Inv. 101.20 101.20 2.00 Jardine Fnd. Inv. 101.20 101.20 2.00 Jardine S.E.A. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00	Lloyd's Bk. (C.I.) U/T Mngt. P.O. Box 100, St. Helier, Jersey. 0034 27361 Lloyd's Inv. Overseas 101.20 56.6 1.10	World Wide Growth Management 10, Boulevard Royal, Luxembourg. World Wide Gth. Fd. 101.20 12.00 6.00	
Butterfield Management Co. Ltd. P.O. Box 156, Hamilton, Bermuda. Butterfield Equity 101.20 1.70 1.50 Butterfield Income 101.20 1.50 8.02 Prices at July 14. Next sub. Aug 11	Fidelity Mngt. & Res. (Irla) Ltd. P.O. Box 570, Hamilton, Bermuda. Fidelity Inv. Fund 101.20 101.20 1.00 Fidelity Pfd. Inv. 101.20 101.20 1.00 Fidelity World Fund 101.20 101.20 1.00 Fidelity Inv. Fds. Series A (Irla) 101.20 101.20 1.00 Series B (Pacific) 101.20 101.20 1.00	Centy Fd. July 23 1 US\$3.45 1.00	Jardine Fleming & Co. Ltd. 46th Floor, Connaught Centre, Hong Kong Jardine East Inv. 101.20 101.20 2.00 Jardine Fnd. Inv. 101.20 101.20 2.00 Jardine S.E.A. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00 Jardine Pfd. Inv. 101.20 101.20 2.00	M&G Group (x)(c)(2) Three Quays, Tower Hill, EC2R 6BQ. M&G Island 101.20 77.6 0.50 14.65 (Accum. Units) 101.20 76.6 0.50 14.65 Gold Inv. July 23 1 US\$39.6 9.75 1.00 Alilate Inv. July 22 101.20 101.20 1.00 Asia&Gth. Inv. July 23 101.20 101.20 1.00 Cayman 101.20 101.20 1.00	Singer & Friedlander Ltd. Agents 20, Cannon St., EC4. 01-248 94645 Delaware 101.20 20.00 6.54 2.36 Tokyo Inv. Jc. 101.20 52.00 6.54 2.36	NOTES
Capital International S.A. 15, Rue du Cendre, 1201 Geneva. Prices at July 14. Next sub. Aug 11	F.I.R.S.T. Managers Ltd. 2, Church St., St. Helier, Jersey. 0034 35511 Kemp-Gee Capital 101.20 101.20 1.00	Jersey Inv. Fund Management Ltd. 22, Hill Street, St. Helier, Jersey. 0034 32271 127 Inv. Gth. Fd. 101.20 101.20 1.00	M&G Group (x)(c)(2) Three Quays, Tower Hill, EC2R 6BQ. M&G Island 101.20 77.6 0.50 14.65 (Accum. Units) 101.20 76.6 0.50 14.65 Gold Inv. July 23 1 US\$39.6 9.75 1.00 Alilate Inv. July 22 101.20 101.20 1.00 Asia&Gth. Inv. July 23 101.20 101.20 1.00 Cayman 101.20 101.20 1.00	Manx Inv. Mngt. Ltd. (a)(b) 30, Vicente St., Douglas, I.M. 0024 48826 Growth Inv. 101.20 22.00 1.00 Invest. Inv. 101.20 14.00 1.00 Vanguard Inv. 101.20 14.00 1.00	Prices do not include 5% premium, where applicable, and are in price unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's price + Yield based on offer price. c Estimated. d Today's opening price. e Distribution free of U.K. taxes. f Offered price includes all expenses except agent's commission. g Offered price includes all expenses if bought through managers. e Previous day's price + Net of tax on realized capital gains unless indicated by g. i Guernsey yield is suspended. j Single premium insurance bonds.	

does not include 5 premium, where
licable, and are in peace unless otherwise
stated. Yield allows for all buyout expenses.
Prices include all expenses.
Today's price is a Yield based on offer price.
"Today's price" is a Yield based on offer price.
Distribution free of U.S. taxes. Offer
price includes all expenses except
commissions. If Offered price includes all
expenses if bought through
members, previous day's price. Net of tax on realized
gain unless indicated by a. A Guernsey
is suspended. A Single premium
insurance bonds.

BRITISH FUNDS

High	Low	Stock	Price	Div	Net	Ctr	Gr	PE
97	97	Shorts' (Lever) Up	10.50	1.00	1.00	1.00	1.00	10.24
97	97	Treasury Free 1980	9.95	0.00	0.00	0.00	0.00	10.24
97	97	Vicinity 1978	4.03	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1975	19.55	1.00	1.00	1.00	1.00	10.24
97	97	Treasury 1977	7.95	0.00	0.00	0.00	0.00	10.24
97	97	Electric Supply 1977	10.50	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1979	11.17	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1980	5.83	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1981	11.52	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1982	10.36	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1983	7.95	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1984	5.33	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1985	10.48	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1986	8.65	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1987	10.38	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1988	4.50	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1989	5.30	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1990	3.01	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1991	10.78	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1992	11.52	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1993	5.83	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1994	10.36	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1995	7.95	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1996	5.33	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1997	10.48	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1998	8.65	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1999	10.38	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1990	4.50	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1991	5.30	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1992	3.01	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1993	10.78	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1994	11.52	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1995	5.83	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1996	10.36	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1990	8.65	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1991	10.38	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1992	4.50	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1996	3.01	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1997	10.78	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1998	11.52	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1990	10.36	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1995	10.38	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1996	4.50	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1997	5.30	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1998	3.01	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1990	3.01	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1991	10.78	0.00	0.00	0.00	0.00	10.24
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97	97	Treasury 1993	5.83	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1994	10.36	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1995	7.95	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1996	5.33	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1997	10.48	0.00	0.00	0.00	0.00	10.24
97	97	Treasury 1998	8.65	0.00	0.00	0.00	0.00	10.24

INDUSTRIALS—Continued



Tuesday July 29 1975



NEWMAN-THOMAS POOLE TAKEOVER

Judge rejects Pru's 'eleventh-hour' move

BY NICHOLAS LESLIE

THE TREND towards closer assets, including stakes in several involvement by institutions in commercial radio stations. Newman companies in which they hold shares received a jolt yesterday of a £30,000 debt owed by Mr. when Prudential Assurance failed to get a High Court injunction to restrain the directors of Newman Industries from putting resolutions at the company's adjourned extraordinary meeting to-day.

The meeting is being held in Bristol to seek approval of a take-over by Newman of certain assets from Thomas Poole and Gladstone China.

Mr. Alan Bartlett, Newman's chairman, proposed an adjournment three weeks ago to allow time for independent observers to draw up a report on the proposals.

This followed pressure from six institutional shareholders in the company, led by the Prudential, who were dissatisfied at the amount of information available.

The proposals envisage Newman buying stakes in four listed public companies from TPG, today. This would not, however, re-

strain any other shareholders from putting the resolutions.

Mr. Justice Walton, rejecting the application, criticised the Pru for setting an "incredibly bad example" by launching its proceedings "at the eleventh

hour". Referring to evidence by

Prudential's legal team, he was warned of "serious repercussions" regarding Newman's listing if the proposals were approved, the judge said that as the SE had previously approved a separate resolution, Newman's plan to buy a 12.5 per cent stake in TPG from Strongpoint, a private company owned by Mr. Bartlett—who is chairman of both Newman and TPG—and Mr. J. K. "Jake" Laughton, deputy chairman of both Newman and TPG.

Bad example

Merchant bankers J. Henry Schroder Wagstaffe—appointed as independent shareholders—have been unable to complete their report on the company, because Mr. Bartlett made it clear to the Pru that he was opposed to a further adjournment. The Pru sought to restrain him and other Newman directors from putting the pro-

tection of the deal relating to the deal with Strongpoint is not.

Gomes delays departure to Helsinki conference

BY JANE BERGEROL

PRESIDENT COSTA GOMES of political plan entitled "Over people back behind the revolution" has postponed his departure to the Helsinki European Security Conference until Thursday, fuelling expectations that a new Government may be announced to-morrow or Wednesday. By then General Otelo Saraiva de Carvalho, the missing member of the new triumvirate of Generals, will have returned from Cuba.

A new Government would dash Socialist Party hopes of a fifth coalition, since it would entail a non-party provisional government of military with independent Left-wingers under Communist sympathising Prime Minister Vasco Goncalves, and possibly with some representatives from the Communist Party and the Christian Democrats.

He said reactionary forces should be stopped from mustering across the country by a programme of national recon-

struction and legislation to free or charge political prisoners within a month.

Dr. Mario Soares, the Socialist leader, continued his conciliatory approach to the Communist Party by strongly condemning recent violent attacks against their offices as we condemned such acts in the past against the PDP. The Centre Democrats and the Christian Democrats.

He said reactionary forces should be stopped from mustering across the country by a programme of national recon-

struction and legislation to free or charge political prisoners within a month.

Dr. Soares called on President Costa Gomes to head such a Government of National Salva-

tion, and the only reason for holding shares at this stage was the hope of a really substantial cyclical upswing.



THE LEX COLUMN

Footing the State pensions bill

Index rose 7.8 to 294.5

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MR. ERIC VARLEY, the Secretary for Industry, is under attack from Labour left-wingers for allowing the British Steel Corporation to make further investment in South Africa, is likely to come under increasing fire from the same quarter over his handling of the corporation's problems.

Before the Parliamentary auditors' report on August 8, Mr. Varley's department will be pronouncing on the BSC's closure programme which puts at stake 5000 jobs at Shotton, North Wales, and 4000 at various Scotch plants.

If as the corporation expects, it gets the go-ahead to start the phased closure programme, Mr. Varley would certainly meet with volatile left-wing protest.

To-morrow, by coincidence, Mr. Varley will meet BSC senior executives—the first formal meeting with them since he became Industry Secretary. The proposed closures are on the important agenda as are the corporation's more immediate short-term problems which involve finding ways to cut back its £5m. a week losses.

His agreement that the corporation could use £5m. of its £10m. a week losses to meet further investment there was a decision taken on his own account and not one subject to Cabinet approval.

An attempt by Labour left-wingers to get a Government statement on the South African deal, which involves the BSC taking a 10 per cent stake in a ferro-chrome project in the Transvaal, failed yesterday. The Speaker disallowed a private notice question on the subject.

Ironically, the ferro-chrome is needed for the BSC's Tinsley Park, Sheffield, stainless steel plant.

It is going to be financed by the taxpayer, while a change in the British Steel Corporation's scheme to link past and future benefits to the Retail Price Index has produced a liability of some £200m., not provided in accounts.

The emphasis in most of the rendered. This is to be met by a further increase in operating profits than from increased future contributions on a "pay-as-you-go" basis, the pre-tax total—and the basic problem is that because of the Corporation's contributions, will be £25m. higher in the current year than they would otherwise have been—equivalent to nearly £1.50 a tonne on this year's expected output.

In other respects, the reports provide a wealth of detail about various operating features and the breakdown between activities, but tend to gloss over the underlying financial position.

This is mainly because of the high level and varying forms of state aid, which produces an arbitrary capital structure. Thus in 1974-75, while British Steel reduced its net borrowings from the Government, by £78m., it is mainly through raising money

overseas, the state injected a further £45m. of equity into the Corporation in the form of extra public dividend capital. Meanwhile, British Rail received £215m. in special grants last year from the Government to meet what it blandly describes as its "cash flow shortfall" in addition to grants of £154m. for

loss-making passenger services.

Only two of the reports so

far (the Bank of England and British Steel) include a CIPF

industrial accounting statement.

British Steel's CPP profits show

almost no difference from those

on a historic basis, mainly

because of a big gain on long-term filament machinery.

However, the usefulness of the CPP

adjustment for profit and repre-

sentative cards to play.

First, it's all equity values.

Scragg at £45m. again

tangible net worth of £16m.

That leaves room to provide

any immediate problems, and

both groups seem to think the

recession is bottoming.

Stone-Platt's profits are

rising up from £2.5m. to be

less than £4m. in the first six

months—and the year as a whole

will show a "significant improvement" on 1974's £2m.

Contract to this smooth pattern,

Scragg seems to go hand in hand

with the cycle, with sales down

in one year and halving in the

next. Maybe that can be

changed: the patterns of demand in staple fibres and

continuous filament machinery do

not tend to coincide, and Scragg

relies heavily on sub-contractors

in the good times.

Additionally, the big market

Scragg a world leader in an

important market area where it

was just starting to develop

its own factories. Its market

capitalisation is just £15m., and

it is buying a company which

revenue around 40 per cent on

capital employed in the

two years.

Scragg shareholders mean-

while are being offered the

certainty of a dividend, an

immediate uplift of around twen-

ty per cent in the value of their

shares, and a fair share in the

enhanced equity on the basis

of a year.

But although Scragg may be

break even this year, it is not

in any real financial trouble

and the only reason for holding

shares at this stage was the

hope of a really substantial

cyclical upswing.

See also Page 1

HANSON

Hanson's recent rights issue

was designed with the New

York bankers in mind, and in

latest U.S. acquisition shown

why. By any standards the

represents a substantial leap

forward: the acquisition will

roughly double group sales and

the U.S. content to about

60 per cent. However

the deal bears familiar Hause

hallmarks. This is a cyclical

business being acquired at a

discount of about 40 per cent

on net assets at the trough

of a recession—profits in 1974

slumped by nearly 50 per cent

to \$6m. And having got in

debt/equity ratios into shape

Hanson expects to finance the

acquisition of Saco-Lowell

at \$35m. purchase price with bank

loans costing under 8 per cent

capital.

Platt/Scragg

Stone-Platt's textile machinery

sales will rise by roughly three

fifths following its agreed bid

for Scragg, and will then account

for over two-thirds of total turnover.

So the group is certainly

taking on extra risks, especially

in the light of Scragg's super-

cyclical record, and the shares

dropped 7p to 60p on the news.

But the highly successful ac-

quisition of Saco-Lowell is a com-

monly through raising money

in the U.S. content to about

60 per cent. However

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